

UNIVERSITY OF ALBERTA LIBRARY



0 1620 0063 4137

Public Accounts 1984-85

Volume 1

Main Financial Statements



Saskatchewan
HERITAGE
1985

Commemorating our Past, Building our Future



EX LIBRIS
UNIVERSITATIS
ALBERTÆNSIS

SA
FN
P71

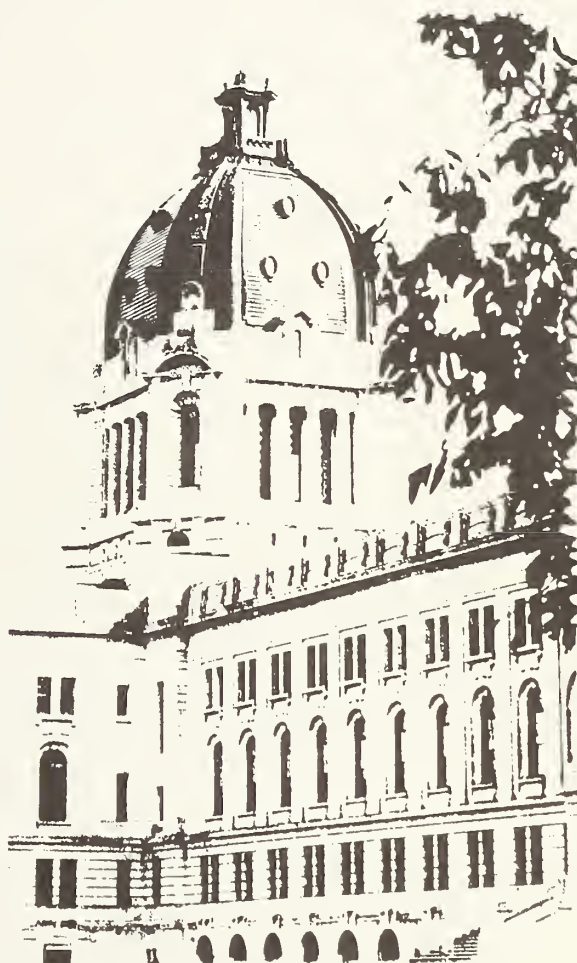
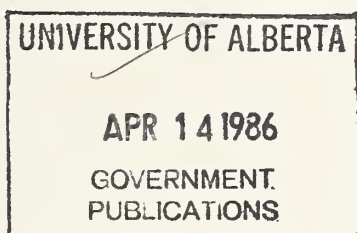


Province of
Saskatchewan

Public Accounts 1984-85

Volume 1

Main Financial Statements



Saskatchewan
HERITAGE
1985

Commemorating our Past, Building our Future

To His Honour,
The Honourable Fredrick W. Johnson,
Lieutenant Governor of the Province of Saskatchewan.

May It Please Your Honour:

The undersigned has the honour to submit herewith the Public Accounts of the Province of Saskatchewan for the fiscal year ended March 31, 1985.

Respectfully submitted,

Gary Lane,
Minister of Finance.

Regina, Saskatchewan
February 12, 1986

The Honourable Gary Lane,
Minister of Finance.

We have the honour of presenting herewith the Public Accounts of the Province of Saskatchewan for the fiscal year ended March 31, 1985.

Respectfully submitted,

David Heron,
Deputy Minister of Finance.

Gerry Kraus,
Provincial Comptroller.

Regina, Saskatchewan
February 12, 1986

Introduction to the Public Accounts

The Public Accounts includes the financial statements of the Consolidated Fund, the Saskatchewan Heritage Fund and of the Combined Funds. The Consolidated Fund is the general fund of the Province into which all public monies received are credited except where the Legislative Assembly has directed otherwise. The Saskatchewan Heritage Fund is a Fund established by the Legislative Assembly to receive all nonrenewable resource revenues and certain other revenues as specified in the Heritage Fund (Saskatchewan) Act. The Combined Funds represents a combination of the financial transactions of the Consolidated Fund and the Saskatchewan Heritage Fund.

The Combined Funds financial statements have been designed primarily to provide an accounting of the financial resources appropriated by the Saskatchewan Legislature. With respect to crown entities such as provincial crown corporations, boards, commissions, special purpose funds and other agencies, the financial statements of the Combined Funds reflect only the extent to which their operations were financed by or contributed to the Combined Funds for the year and do not include their accumulated surpluses or deficits. The Province's equity in crown entities is reported to the extent that it is significant in a schedule to the Combined Funds financial statements.

The organization of the 1984-85 Public Accounts has been revised from previous years. The new organization is intended to segregate into separate volumes similar types of information for the convenience of the readers. The Public Accounts consist of three volumes:

Volume 1 — Main Financial Statements

- Part A — Financial Statements of the Combined Funds
 - Financial Statements of the Consolidated Fund
 - Financial Statements of the Saskatchewan Heritage Fund

Part B — Additional Information on Debt, Loan, Investment and Deposit Activity

Volume 2 — Supplementary Financial Statements

Contains summary information of Superannuation, Trust and Special Purpose Funds under the control of the Minister of Finance, financial statements of Revolving Funds and other financial statements.

Volume 3 — Details of Revenue and Expenditure Activity

Reports revenue and expenditure information for the Consolidated Fund and the Saskatchewan Heritage Fund, statement of remissions and details of expenditures within the appropriations.

G. Kraus,
Provincial Comptroller



Digitized by the Internet Archive
in 2018 with funding from
University of Alberta Libraries

<https://archive.org/details/provinceofsaskat01sask>

Table of Contents — Volume 1

Part A — Main Financial Statements

**Government of the Province of
Saskatchewan Combined
Funds Financial Statements**

**Government of the Province of
Saskatchewan Consolidated
Fund Financial Statements**

**Saskatchewan Heritage Fund
Financial Statements**

Part B — Additional Information

Table of Contents – Part A

Page

Main Financial Statements

Government of the Province of Saskatchewan

Combined Funds Financial Statements

Provincial Auditor's Report	1
Statement of Financial Position	2
Statement of Province's (Net Debt) Equity	3
Statement of Revenue and Expenditure	4
Statement of Loan, Investment and Deposit Activity	6
Statement of Financing and Changes in Financial Position	7
Notes to the Financial Statements	8
Schedules to the Financial Statements	
Schedule 1 – Cash and Short-Term Investments	14
Schedule 2 – Short-Term Loans to Crown Entities	15
Schedule 3 – Loans to Crown Entities	15
Schedule 4 – Other Loans	16
Schedule 5 – Loans to the Agricultural Returns Stabilization Fund	17
Schedule 6 – Investments in Crown Entities	18
Schedule 7 – Investments in Other Enterprises	19
Schedule 8 – Promissory Notes	19
Schedule 9 – Treasury Bills	20
Schedule 10 – Debentures	21
Schedule 11 – Summary of Sinking Funds	22
Schedule 12 – Amounts Payable to Crown Entities	22
Schedule 13 – Guaranteed Debt	23
Schedule 14 – Summary of Public Debt Transactions	24

Government of the Province of Saskatchewan

Consolidated Fund Financial Statements

Provincial Auditor's Report	25
Statement of Financial Position	26
Statement of Province's Net Debt	27
Statement of Revenue and Expenditure	28
Statement of Loan, Investment and Deposit Activity	30
Statement of Financing and Changes in Financial Position	31
Notes to the Financial Statements	33
Schedules to the Financial Statements	
Schedule 1 – Cash and Short-Term Investments	39
Schedule 2 – Short-Term Loans to Crown Entities	39
Schedule 3 – Loans to Crown Entities	39
Schedule 4 – Other Loans	40
Schedule 5 – Loans to the Agricultural Returns Stabilization Fund	41
Schedule 6 – Investments in Other Enterprises	41
Schedule 7 – Promissory Notes	42
Schedule 8 – Treasury Bills	42
Schedule 9 – Debentures	43
Schedule 10 – Summary of Sinking Funds	44
Schedule 11 – Amounts Payable to Crown Entities	44
Schedule 12 – Guaranteed Debt	44
Schedule 13 – Summary of Public Debt Transactions	45

**Saskatchewan Heritage Fund
Financial Statements**

Page

Provincial Auditor's Report	47
Statement of Financial Position	48
Statement of Equity	49
Statement of Revenue and Expenditure	50
Statement of Loan Investment and Deposit Activity	53
Statement of Financing and Changes in Financial Position	54
Statement of Cumulative Provincial Development Expenditure	55
Notes to the Financial Statements	57
Schedules to the Financial Statements	
Schedule 1 — Cash and Short-Term Investments	60
Schedule 2 — Short-Term Loans to Crown Entities	60
Schedule 3 — Loans to Crown Entities	61
Schedule 4 — Other Loans	61
Schedule 5 — Investments in Crown Entities	62
Schedule 6 — Investments in Other Enterprises	62

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Combined Funds as at March 31, 1985 and the statements of Province's net debt, revenue and expenditure, loan, investment and deposit activity and, financing and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Combined Funds as at March 31, 1985 and the results of its operations and changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied, after giving retroactive effect to the change in the method of accounting for public debt payable in a foreign currency and the related loans to crown entities as explained in Note 1q to the financial statements, on a basis consistent with that of the preceding year.

As indicated in Note 1a, these financial statements represent a combination of the financial transactions of the Consolidated Fund and the Saskatchewan Heritage Fund and are not summary financial statements as contemplated by the Canadian Institute of Chartered Accountants, that would report the financial condition and results of operations of the Government of Saskatchewan.

Regina, Saskatchewan,
September 24, 1985.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Government of the Province of Saskatchewan

Combined Funds

Statement of Financial Position

March 31, 1985

(\$ Thousands)

Assets	1985	1984
<i>Schedule</i>		
1 Cash and Short-Term Investments (Note 1e)	\$ 130,395	\$ 122,607
2 Short-Term Loans to Crown Entities (Note 1f)	202,554	260,356
3 Loans to Crown Entities (Note 1g)	4,632,562	4,167,314
4 Other Loans (Note 1h)	128,196	34,286
5 Loans to Saskatchewan Agricultural Returns Stabilization Fund (Note 1i)	3,374	28,418
6 Investments in Crown Entities (Note 1j)	838,730	838,730
Investment in Agricultural Land and Related Assets (Note 1k)	163,881	166,184
7 Investments in Other Enterprises (Note 1l)	3,034	603
Total Assets	\$ 6,102,726	\$ 5,618,498

Liabilities and Province's (Net Debt) Equity

Public Debt (Note 1m)		
8 Promissory Notes (Note 1m)	\$ 612,000	\$ 297,000
9 Treasury Bills (Note 1m)	459,540	451,500
10 Debentures (Note 1m)	5,356,713	4,710,987
11 Less: Sinking Funds (Note 1m)	353,205	310,676
	6,075,048	5,148,811
12 Amounts Payable to Crown Entities (Note 1n)	86,819	117,484
Conditional Receipts (Note 1o)	6,167	6,547
Total Liabilities	6,168,034	5,272,842
13 Contingencies (Note 2a)		
Province's (Net Debt) Equity	(65,308)	345,656
Total Liabilities and Province's (Net Debt) Equity	\$ 6,102,726	\$ 5,618,498

(see accompanying notes)

Government of the Province of Saskatchewan Combined Funds

Statement of Province's (Net Debt) Equity

For the Year Ended March 31, 1985

	<i>(\$ Thousands)</i>	
	<i>1985</i>	<i>1984</i>
<i>Province's Equity, Beginning of Year</i>	\$ 345,656	\$ 711,573
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	(379,796)	(331,394)
Sinking Fund Earnings Retained in Sinking Funds	2,443	2,517
Write-down of Short-Term Investments	(1,221)	—
Provision for Doubtful Accounts in Respect of Other Loans	(103)	(3,171)
Loss on Sale of Land	(45)	(4)
Write-off of Other Loans	(31)	(200)
Valuation Provision in Respect of the Loans to the Saskatchewan Agricultural Returns Stabilization Fund	(32,211)	(15,581)
Deficiency Arising from the Transfer of the Assets and Liabilities of the Saskatchewan Land Bank Commission	—	(13,657)
Deficiency Arising from the Transfer of the Assets and Liabilities of the Saskatchewan Universities Commission	—	(4,427)
<i>Province's (Net Debt) Equity, End of Year</i>	\$ (65,308)	\$ 345,656

(see accompanying notes)

Government of the Province of Saskatchewan

Combined Funds

Statement of Revenue and Expenditure

For the Year Ended March 31, 1985

(\$ Thousands)

Revenue:	1985	1984
Provincial Taxes		
Corporation Capital	\$ 27,885	\$ 28,985
Corporation Income	121,454	132,205
Fuel	32,108	13,593
Individual Income	554,260	565,209
Insurance	17,472	16,477
Mineral Acreage	3,762	3,765
Sales	345,014	340,325
Tobacco	59,967	48,823
Other Taxes	6,033	6,030
Total Provincial Taxes	1,167,955	1,155,412
Receipts from Government Enterprises and Other Funds		
Profits Transferred from Saskatchewan Housing Corporation	20,074	—
Saskatchewan Liquor Board	71,000	79,000
Other Receipts	9,374	5,447
Total Receipts from Government Enterprises and Other Funds	100,448	84,447
Other Own Source Revenues		
Agricultural Lands		
Land Sales	8,862	11,883
Lease Revenue	9,053	8,176
Interest and Other	702	276
Fines, Forfeits and Penalties	7,557	7,380
Interest, Premium, Discount and Exchange	23,115	23,248
Non-Renewable Resources		
Coal	17,438	15,775
Natural Gas	9,652	4,595
Oil	645,625	640,322
Crude Oil Export Charge	94,732	44,212
Potash	71,177	39,702
Sodium Sulphate	1,393	1,696
Uranium	25,169	11,117
Other	435	599
Privileges, Licences and Permits		
Lands, Forest, Game, Fur, Fisheries and Water	10,032	9,956
Motor Vehicles	57,346	54,187
Other	8,015	7,433
Sales, Services and Service Fees	38,359	34,656
Other Revenues	20,465	20,716
Total Other Own Source Revenues	1,049,127	935,929
Receipts from Other Governments		
Agricultural and Rural Development Act	345	261
Canada Assistance Plan	143,667	139,766
Department of Regional Industrial Expansion	2,665	6,900
Equalization Payment (Note 2b)	(22,913)	(22,913)
Established Programs Financing	420,181	372,648
Manpower Agreements	28,605	19,877
Statutory Subsidy	2,178	2,160
Other Federal Contributions	15,568	33,075
Other Receipts	7,732	5,931
Total Receipts from Other Governments	598,028	557,705
Total Revenue	\$ 2,915,558	\$ 2,733,493

(see accompanying notes)

Government of the Province of Saskatchewan Combined Funds

Statement of Revenue and Expenditure

For the Year Ended March 31, 1985

(\$ Thousands)

Expenditure:	1985	1984
Advanced Education and Manpower	\$ 257,104	\$ 231,509
Agriculture	130,624	87,817
Consumer and Commercial Affairs	5,667	5,136
Co-operation and Co-operative Development	2,865	2,879
Culture and Recreation	20,992	16,716
Economic Development and Trade	11,317	5,726
Education	378,983	415,087
Employment Development Agency	222	—
Energy and Mines	39,493	51,930
Environment	10,554	8,173
Executive Council	6,904	7,158
Finance: Other	24,736	27,700
Interest on Public Debt (Note 1p)	102,470	56,513
Health	1,013,316	964,808
Highways and Transportation	208,524	213,725
Indian and Native Affairs Secretariat	4,459	4,831
Intergovernmental Affairs	—	64
Justice	107,955	102,954
Labour	9,527	9,431
Legislation	9,386	9,351
The Local Government Board	432	389
Northern Affairs Secretariat	355	—
Department of Northern Saskatchewan	—	17,691
Parks and Renewable Resources	70,166	55,470
Provincial Auditor	3,604	3,223
Provincial Library	7,578	7,434
Provincial Secretary	605	569
Public and Private Rights Board	—	86
Public Service Commission	6,293	6,094
Revenue and Financial Services	117,506	72,525
Rural Development	53,847	51,368
The Saskatchewan Assessment Authority	5,668	4,726
Saskatchewan Crop Insurance Corporation	9,238	1,000
The Saskatchewan Research Council	4,431	3,876
Science and Technology	2,448	201
Social Services	328,444	302,359
Supply and Services	92,072	90,879
Surface Rights Arbitration Board	—	166
Department of Telephones	125	307
Tourism and Small Business	22,608	4,955
Urban Affairs	224,553	220,021
Women's Secretariat	283	40
Total Expenditure	\$ 3,295,354	\$ 3,064,887
Excess of Revenue over Expenditure (Expenditure over Revenue)	\$ (379,796)	\$ (331,394)

(see accompanying notes)

Government of the Province of Saskatchewan Combined Funds

Statement of Loan, Investment and Deposit Activity

For the Year Ended March 31, 1985

	1985		1984	
	Disbursements	Receipts	Disbursements	Receipts
Loans				
Municipal Financing Corporation of Saskatchewan	\$ 54,723	\$ —	\$ —	\$ 10,000
Saskatchewan Grain Car Corporation	—	4,984	—	—
Potash Corporation of Saskatchewan	—	5,000	80,000	25,000
Saskatchewan Housing Corporation	9,391	—	—	8,000
Saskatchewan Power Corporation	80,386	11,604	198,170	65,649
Sask Tel	14,497	—	22,641	41,860
Agricultural Credit Corporation of Saskatchewan	—	—	13,517	—
Crown Investments Corporation of Saskatchewan	158,000	—	20,000	—
Saskatchewan Mining Development Corporation	82,950	—	—	—
Saskatchewan Agricultural Returns Stabilization Fund	8,767	1,600	16,073	880
Demand Bank Loan	—	—	5,000	—
Loan and Sale Agreements	—	621	—	—
Other	152,547	57,742	51,347	53,723
Total Loan Disbursements and Receipts	561,261	81,551	406,748	205,112
Investments				
NewGrade Energy Inc.	734	—	—	—
Saskatchewan Housing Corporation	—	—	—	11,173
Investment in Agricultural Land and Related Assets:				
Recovery of Investment	577	2,880	—	83
Recovery of Principal on Land Sales	—	—	—	1,811
Other	1,715	18	69	18
Total Investment Disbursements and Receipts	3,026	2,898	69	13,085
Deposits				
Crown Entities	160,443	129,778	114,174	150,785
Sinking Fund	21,836	21,178	24,198	23,600
Conditional Receipts	380	—	—	1,555
Total Deposit Disbursements and Receipts	182,659	150,956	138,372	175,940
Total Disbursements and Receipts	\$ 746,946	\$ 235,405	\$ 545,189	\$ 394,137
Total Excess of Disbursements Over Receipts	\$ 511,541		\$ 151,052	

(see accompanying notes)

Government of the Province of Saskatchewan

Combined Funds

Statement of Financing and Changes in Financial Position

For the Year Ended March 31, 1985

(\$ Thousands)

	1985	1984
Cash Requirements		
<i>Revenue and Expenditure</i>		
Expenditure	\$ 3,295,354	\$ 3,064,886
Revenue	2,915,558	2,733,493
	\$ 379,796	\$ 331,393
<i>Loan, Investment and Deposit</i>		
Disbursements	746,946	545,189
Receipts	235,405	394,137
	511,541	151,052
Net Cash Requirement	891,337	482,445
<i>Financing (Schedule 14)</i>		
Proceeds from Debt	4,530,114	3,618,867
Repayment of Debt	3,687,570	2,925,601
	842,544	693,266
Net Increase (Decrease) in Cash, Short-Term Loans and Investments	(48,793)	210,821
Write-down of Short-Term Investment	(1,221)	—
Cash, Short-Term Loans and Investments, Beginning of Year	382,963	172,142
Cash, Short-Term Loans and Investments, End of Year	\$ 332,949	\$ 382,963

(see accompanying notes)

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements

For the Year Ended March 31, 1985

1. Significant Accounting Policies

General Policies

1a. Reporting Entity

The Combined Funds represent a combination of the financial transactions for the Consolidated Fund and the Saskatchewan Heritage Fund. The Combined Funds financial statements have been designed primarily to provide an accounting of the financial resources appropriated by the Saskatchewan Legislature from the Funds. The Consolidated Fund is the general fund of the Province into which all public monies received are credited except where the Legislative Assembly has directed otherwise. The Saskatchewan Heritage Fund is a fund established by the Legislative Assembly to receive all nonrenewable resource revenues and certain other revenues as specified in The Heritage Fund (Saskatchewan) Act.

These financial statements are not intended to be summary financial statements that provide a full accounting of the financial affairs and resources of all the entities for which the Government of Saskatchewan is responsible. The financial transactions of other crown entities such as provincial crown corporations, agencies, boards and commissions are reported separately. Only those transactions pertaining to the receipt of money from or payment of money to the Combined Funds are reflected in these statements. Accumulated surpluses or deficits of these entities are not included.

A variety of special purpose and other funds are administered by the Minister of Finance. Included within these funds are superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements, and special purpose monies held for specified uses. The assets, liabilities, operations and residual balances of these are maintained and reported separately from those of the reporting entity.

1b. Principles of Combination

The financial transactions for The Consolidated Fund and The Saskatchewan Heritage Fund are added together, or combined. Transactions between the funds, such as the fund dividend paid to The Consolidated Fund by the Saskatchewan Heritage Fund, are eliminated.

1c. Basis of Accounting

The financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payments are made. In

addition, revenues received in the 30 days of April in respect of revenue raised up to March 31 of the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

1d. Classification of Financial Transactions

In accounting for the financial transactions, a distinction is drawn between those transactions which affect the net debt and those which affect only recorded assets and liabilities. This segregation originates from the net debt concept. The net debt of the Province is the difference between recorded liabilities minus assets and represents the difference between accumulated revenues and accumulated expenditures. Since revenues and expenditures only affect the net debt, financing activities and transactions which arise from the financing activities (lending and investing) only affect recorded assets and liabilities. Accordingly, transactions are recorded within three categories: Revenue and Expenditure, Lending and Investing, and Financing Activities.

• Revenue and Expenditure

Revenue and expenditure relate to normal operating activities.

• Revenue

Revenue includes revenue raised through taxation, premiums, fees, licences and permits, receipts from the Federal government under fiscal arrangements and shared-cost programs, income from investments and dividends or transfers from other funds and accounting gains on the sale of certain agricultural lands.

• Expenditure

Expenditure includes payments for goods and services, salaries, transfer payments to individuals, municipalities and institutions, subsidies and grants, the acquisition or construction of fixed assets, and interest on public debt.

• Lending and Investing

These transactions result from lending and investing functions which include the Province's lending and investing activity in various crown entities, other organizations and individuals, in Agricultural Land and Related Assets acquired for resale and, also the administration of funds held for certain crown entities.

• Financing Activities

Financing activities are the borrowing and repayment transactions of the province and include the borrowing on behalf of various crown entities.

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies — (Continued)

General Policies — (Concluded)

1d. Classification of Financial Transactions — (Concluded)

• Assets and Liabilities

The majority of the assets and liabilities recorded in the statements are a result of the intermediary activity of borrowing on behalf of various crown entities. In general terms assets will consist of cash, short-term investments, and loans to or investments in crown entities and other organizations and individuals. Capital assets are treated as an expenditure in the year of purchase.

Liabilities consist of promissory notes, treasury bills and debentures to be repaid to outside parties and amounts that are due to provincially created crown entities.

• Revolving Fund Transactions

Various revolving funds have been established to provide services to the Province or the public. Each of these have statutory authority to make payments out of The Consolidated Fund for the provision of specified services.

Except for transactions relating to loans and advances to third parties, any net cash expenditure on behalf of a revolving fund is classified as an expenditure. Any net cash revenue is classified as a reduction in expenditures. Loans and advances to third parties are classified as lending and investment transactions, and any amounts outstanding are shown as an asset.

Specific Policies

1e. Cash and Short-Term Investments

• Cash

Cash recorded is the balance on hand in the Combined Funds at March 31, adjusted for transactions during the 30 days following the end of the fiscal year relating to the reporting fiscal year.

• Short-Term Investments

Short-term investments represent those investments purchased under authority of *The Department of Finance Act, 1983* and *The Heritage Fund (Saskatchewan) Act*. These investments consist mainly of chartered bank notes, treasury bills, commercial paper and bonds maturing within one year.

Short-term investments are carried at cost. Any gain (loss) on disposal of short-term investments is recorded as revenue (expenditure).

1f. Short-Term Loans to Crown Entities

These represent interest bearing loans made for a period of less than one year. Short-term loans are valued at cost.

Interest received on short-term loans is applied to offset the interest paid on the Province's share of public debt.

1g. Loans to Crown Entities

These are loans made for a period of greater than one year to crown corporations, boards and commissions and generally have fixed terms of repayment. With the exception of the Saskatchewan Grain Car Corporation, the loans are all interest bearing.

Loans are valued at cost. In cases where the liabilities of a crown entity significantly exceed the estimated realizable value of its assets and the accumulated deficit is not funded by an appropriation, the loan will be written down. All write-downs are charged directly to equity.

Where the Province obtains the funds for making the loans through issuing of debentures, the crown entities are required to provide the funds to repay debt. Where sinking fund requirements are attached to the underlying debt issue, crown entities must reimburse the Province for payments made to the sinking fund. Accordingly, the crown entities equity (i.e. contributions and earnings) in the sinking funds reduce the recorded value of loans and advances.

Interest received from crown entities is offset against the Province's interest expense in debt issues.

1h. Other Loans

Other loans are those made to nongovernment agencies or individuals and are subject to a variety of interest rates and terms of repayment.

Other loans are carried at cost and will be revalued when it becomes evident that they are uncollectible. All write-downs are charged directly to equity.

Interest received from these loans is recorded as revenue.

1i. Loans to the Saskatchewan Agricultural Returns Stabilization Fund

Loans have been made to the Cow-Calf-to-Finish Plan, Feeder-Finish Plan and the Saskatchewan Hog Assured Returns Program. The loans are all interest-bearing except for an amount of \$13,127,000 relating to the 50 Purchased Feeders Option under the Cow-Calf-to-Finish Plan.

These plans are reviewed annually and when it becomes evident that the plans will be unable to repay the loans in whole or part an appropriate revaluation will be made. All write-downs are charged directly to equity.

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies

— (Continued)

Specific Policies — (Continued)

1j. Investments in Crown Entities

Investments in crown entities represent long-term equity advances which are non-interest bearing and have no fixed terms of repayment.

Investments are valued at original cost. Revaluation of the investment will occur when the liabilities of the crown entity significantly exceed the net realizable value of its assets and the accumulated deficit is not funded by appropriation. All write-downs reducing the carrying value of the investment are charged directly to equity.

Revenues from the investments (dividends) are recorded as revenue.

1k. Investment in Agricultural Land and Related Assets

The Heritage Fund (Saskatchewan) Amendment Act, 1983 transferred the assets and liabilities of the former Saskatchewan Land Bank Commission to the Agricultural Division of the Saskatchewan Heritage Fund effective April 1, 1983. Investment in Agricultural Land and Related Assets represents the cost of land and improvements held for resale.

Sales of these lands and improvements are recorded as a recovery of investment in amounts equal to the cost and any gains are recorded as revenue when received. Where the sale involves a long-term sales agreement, the amount equal to the cost of the investment sold is recorded as an asset; any amount due in respect of a gain on the sale is recorded as revenue only upon collection. Any loss on the sale of these lands and improvements is charged to equity.

1l. Investments in Other Enterprises

These represent investments in nongovernment enterprises. These investments are carried at cost.

The investments will be revalued when it becomes evident that there has been a permanent reduction in the value of the investment.

Any write-down of an investment is charged to equity.

1m. Public Debt

Public debt represents obligations of the Province to outside parties arising from its borrowing activities to finance the Province's operations or to finance loans to crown entities. Public debt consists of promissory notes, treasury bills and debentures.

• Borrowing on Behalf of Crown Entities

Where the Province performs the intermediary function of borrowing on behalf of crown entities, the funds required to repay the principal amount of the debt attributable to these entities are reimbursed by them.

Because this debt is reimbursable, interest received from the crown entities is offset against the interest paid on the debt.

All debentures due in foreign currency will be repaid when due by these entities in requisite amounts. For reporting purposes, all debentures due in foreign currency have been converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

• Investment in Agricultural Land

Debt acquired for the purpose of financing the Investment in Agricultural Land now held by the Saskatchewan Heritage Fund but formerly held by the Saskatchewan Land Bank Commission is considered to be fully reimbursable from the proceeds from the sale of the Agricultural Lands to be received by the Heritage Fund. The interest paid on the public debt which is considered to be fully reimbursable from the lease fee revenue on the lands, received in the Farm Purchase Program Fund, is offset against the interest paid on the debt. To the extent lease fees are insufficient for this purpose, an appropriation of funds from the Saskatchewan Heritage Fund is made to cover the deficiency.

The balance of the public debt is borrowed for the purpose of the Province. The interest paid on this portion is shown as Interest on Public Debt under the Department of Finance in the Statement of Revenue and Expenditure.

• Promissory Notes

Promissory notes are issued to cover temporary insufficiencies of the Consolidated Fund and for funding short-term advances to crown entities.

Promissory notes are carried at face value.

• Treasury Bills

Treasury bills are issued to cover temporary insufficiencies of the Consolidated Fund and for financing 50% of the Province's share of the cost of the South Saskatchewan River Development Project (Saskatchewan Power Corporation).

Treasury bills are carried at par.

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies — (Concluded)

Specific Policies — (Concluded)

1m. Public Debt — (Concluded)

• Debentures

Debentures are issued to finance activities of the Province and for funding long-term loans to crown entities.

Debentures are carried at par. In the year in which debentures are issued, discounts are charged to expenditure and any premiums are recorded as revenue. Where borrowing is made to finance loans to crown entities, all expenses including discounts are charged directly to the crown entities and premiums are paid to the crown entities.

Most public debentures issued require payments into a sinking fund in accordance with the sinking fund policy.

Repayments of principal where sinking funds are not required directly reduce the liability.

• Sinking Funds

The Province has a general sinking fund into which payments are made on most public debenture issues. Annual payments to the general sinking fund under this policy have been based on 1% or 1½% of the principal amount outstanding of the applicable debenture issued. The Province requires that it be reimbursed by crown entities for all sinking fund payments made on debt incurred on behalf of crown entities. Notwithstanding this requirement, the Province assumes direct responsibility for all payments to sinking funds.

Sinking fund monies are invested in Province of Saskatchewan debentures, other provincial government or provincial government guaranteed securities, federal government or federal government guaranteed securities, or high grade Canadian municipal securities until such time as the monies are required for retirement of debt. Sinking fund monies are subject to noncash calculations regarding earnings in accordance with the following accounting policies:

- Interest on long-term investments is accrued. Short-term investment earnings are recognized as received.
- Premium/discount on long-term investments is amortized by type of security to maintain a constant yield over the life of the investment.
- Gains/losses on the sale of long-term investments are recognized in the period the sale was transacted.

Earnings of the sinking funds are retained within the sinking funds and accordingly, are not recorded as revenue but are credited directly to equity.

1n. Amounts Payable to Crown Entities

These represent amounts held on deposit in the Consolidated Fund on behalf of certain crown entities at no interest.

1o. Conditional Receipts

The Province receives funds for which the ultimate disposition is not immediately known or which is subject to some future action beyond the control of the payor. These funds are deposited to the credit of a liability account entitled "conditional receipts". The balance reflected is that for such funds held as at March 31.

1p. Interest on Public Debt

Interest on public debt includes interest paid by the Province on promissory notes, treasury bills and debentures, but does not include interest on public debt borrowed by the Province on behalf of crown entities (Note 1m).

1q. Change in Accounting Policy

A change in accounting policy with respect to accounting for foreign debt was implemented during the 1984-85 fiscal year with retroactive application to the 1983-84 fiscal year. All public debt and related loans to crown entities payable in foreign currency have been converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

The effect of the change in accounting policy is to increase debentures and loans to crown entities by \$518,008,000 (1984 — \$371,504,000), increase proceeds from debt and loan disbursements by \$22,950,000 (1984 — nil) and increase loan receipts and repayment of debt by \$2,668,000 (1984 — \$6,332,000).

2. Additional Information

2a. Contingencies

• Guaranteed Debt

The Province has explicitly guaranteed the repayment of the principal and interest of certain bonds, debentures and loans of various organizations including crown entities. The total principal portion of all guaranteed debt at March 31, 1984, was \$465,354,000 (\$373,896,000 at March 31, 1984).

The guaranteed debt is not a recorded liability until conditions exist or events occur which would require the Province to assume the repayment of the debt. At March 31, there were no organizations in receivership whose debt had been guaranteed.

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements — (Continued)

2. Additional Information — (Continued)

2a. Contingencies — (Concluded)

• Litigation Matters

The Province has a contingent liability in respect of a claim filed by the Cumberland House Local Community, the Village of Cumberland House and Cumberland Fisherman's Co-op Ltd., against the Saskatchewan Power Corporation and the Government of Saskatchewan. The plaintiffs are claiming \$150 million in damages resulting from the losses they allege they will suffer as a result of the construction and operation of the Squaw Rapid Dam. The outcome of this action is uncertain and the likely loss to the Province, if any, cannot be determined.

The Province is also named as defendant in various other legal actions, in excess of \$500,000 totalling approximately \$11.1 million. The outcome of these actions are uncertain and the likely loss to the Province, if any, cannot be determined.

2b. Equalization Payment

Contained in receipts from other governments is a reduction to revenue of \$22,913,000 for an equalization payment to the federal government resulting from an amendment to its calculation of equalization payments which occurred subsequent to March 31, 1982.

The amendment resulted in the Province being overpaid by \$117,400,000 in total. By agreement with the federal government, this amount is being repaid by reducing other federal transfer payments over a five year period. At March 31, 1985, \$45,826,000 remains outstanding and will be reduced in equal amounts over the next two fiscal years.

2c. Overcommitments

The Province of Saskatchewan uses the modified cash basis of accounting. Under this method accounts receivable or payable are not recorded.

There is a legislative requirement that no liability shall be incurred which exceeds the unencumbered balance of an appropriation.

Three departments overcommitted their appropriations by a total of \$25,715,000 at March 31, 1985:

	(\$ Thousands)
Culture and Recreation	\$ 105
Energy and Mines	25,525
Finance	85
	<u>\$ 25,715</u>

The overcommitted figure (except for the amount relating to Energy and Mines) reflects the amount by which expenditures plus accounts payable exceed the estimates adjusted for special warrants and virements.

Accounts payable are defined to be a debt for goods or services received by a department prior to March 31, 1985 and which remain unpaid at April 30, 1985.

The overcommitment relating to an appropriation of the Department of Energy and Mines relates primarily to an indebtedness in an estimated amount of \$26,000,000 respecting grants under The Oil and Gas Incentives Regulations 1978. Under The Oil and Gas Incentives Regulations 1978, expenditures on oil and gas exploration and development within the Province may be cost shared by the Provincial Government. Eligibility is conditional upon the production of oil within the Province. At March 31, 1985, such expenditures on oil and gas exploration and development, as approved, when combined with the production of oil as reported, calculates to the indebtedness noted. Such amounts are subject to adjustment upon final approval and payment.

2d. Significant Long-Term Obligations

The Province entered into a lease agreement with Saskatchewan Government Insurance in 1981 to lease an office building in Prince Albert, Saskatchewan for a term of 30 years ending on April 30, 2011. The lease requires annual payments of approximately \$1,600,000.

Effective April 1, 1984, the Province entered into a ten year purchase agreement with the Crown Investments Corporation of Saskatchewan to acquire an office building in Regina. The agreement calls for payments of approximately \$2,900,000 annually for the ten year period ending on March 31, 1994.

Obligations under these lease agreements are treated as expenditures as paid.

Government of the Province of Saskatchewan

Combined Funds

Notes to the Financial Statements — (Continued)

2. Additional Information — (Continued)

2e. Superannuation

For certain pension plans the Province pays, out of Consolidated Fund, part of the benefits and/or is responsible for any deficiency arising when the benefits exceed the assets available in the funds.

The following is a brief description of these plans:

- **Public Service Superannuation Plan**

This is an unfunded plan. All employee contributions are recorded as revenue of the Consolidated Fund, and all payments required are recorded as expenditures of the Consolidated Fund.

- **Public Employees (Government Contributory) Superannuation Plan**

This is a funded plan, with employee contributions being matched by the Province. A separate fund is maintained for receiving all contributions, with allowances and refunds being made from the fund based upon the contribution made and investment earnings allocated. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

- **Teachers' Superannuation Fund**

Teacher contributions are paid into a separate fund, with allowances and benefits being made from the fund. Teacher contributions on and after July 1, 1980 are matched by the Province, with these monies also being paid into the fund. The Province's contribution is recorded as an expenditure of the Consolidated Fund. The Province is responsible for any deficiency arising when retirement benefits and allowances exceed the assets available in the fund.

- **Teachers' Annuity Fund**

This is a funded plan for teachers who had never taught in the provincial school system prior to July 1, 1980 and entered the school system after that date. Teacher contributions are matched by the Province. Contributions are paid into a separate fund, with allowances and refunds being made from the fund based upon the contribution made and investment earnings allocated. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

- **Teachers' Supplementary Allowances Fund**

This fund was created in conjunction with the Teachers' Annuity Fund. A designated portion of contributions made by teachers into the Annuity

Fund is paid into the Teachers' Supplementary Allowances Fund for the purpose of increasing allowances for cost of living and to pay survivor benefits to dependents of teachers. Teacher contributions are matched by the Province. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

- **Members of the Legislative Assembly Superannuation Fund**

This is a funded plan, with employee contributions being matched by the Province. The province also contributes an annual payment and any other amounts that may be appropriated. Contributions are paid into a separate fund, with allowances and refunds being made from the fund. The Province's contribution is recorded as an expenditure of the Consolidated Fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

- **Judges of the Provincial Court Superannuation Fund**

Employee contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

Annuities and allowances made under The Magistrates Court Act (repealed) are also paid out of the Judges of the Provincial Court Superannuation Fund. Employees do not make contributions. The Consolidated Fund reimburses the Provincial Court Superannuation Fund for all payments to superannuates.

- **Anti-Tuberculosis League Employees Superannuation Fund**

Employee contributions are matched by The Saskatchewan Anti-Tuberculosis League. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

- **Saskatchewan Transportation Company Employees Superannuation Fund**

Employee contributions are matched by the Saskatchewan Transportation Company. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

Government of the Province of Saskatchewan

Combined Funds

Notes to the Financial Statements — (Concluded)

2. Additional Information

— (Concluded)

2e. Superannuation — (Concluded)

The following is a summary of the unfunded liability in respect of these pension plans as indicated in the most recent actuarial reports:

(\$ Thousands)

	<i>Date of Report</i>	<i>Liability As At</i>	<i>Unfunded Liability</i>	
			<i>Past Service</i>	<i>Future Service</i>
Public Service Superannuation Plan	Mar./84	Mar./83	\$ 992,489	\$ 620,321
Public Employees (Government Contributory) Superannuation Plan			N/A	N/A
Teachers' Superannuation Fund	Sept./84	June/83	1,079,549	268,171
Teachers' Annuity Fund			N/A	N/A
Teachers' Supplementary Allowances Fund			N/A	N/A
Members of the Legislative Assembly Superannuation Fund	Mar./84	Mar./83	15,096	1,305
Judges of the Provincial Court Superannuation Fund	Jan./83	Jan./83	6,330	**
Anti-Tuberculosis League Employees Superannuation Fund	Jan./85	Mar./84	1,238	*(135)
Saskatchewan Transportation Company Employees Superannuation Fund	Jan./85	Mar./84	3,816	*(1,158)
			\$ 2,098,518	\$ 888,504

* surplus

** 17.11% of Salary Projection

2f. Comparative Information

Certain of the 1984 figures have been reclassified to conform with the current year presentation.

Government of the Province of Saskatchewan Combined Funds

Schedule 1

Cash and Short-Term Investments

March 31, 1985

	(\$ Thousands)	
	1985	1984
Cash (Overdraft)	\$ (71,874)	\$ (44,348)
Short-Term Investments	202,269	166,955
	\$ 130,395	\$ 122,607

The market value of the Short-Term Investments at March 31, 1985 is \$201,772,000 (March 31, 1984 \$165,885,000).

Government of the Province of Saskatchewan Combined Funds

Schedule 2

Short-Term Loans to Crown Entities

March 31, 1985

	(\$ Thousands)	
	1985	1984
Agricultural Development Corporation	\$ 7,878	\$ —
Crown Investments Corporation of Saskatchewan	70,500	194,336
Farm Purchase Program Fund	—	820
Municipal Financing Corporation of Saskatchewan	18,000	61,500
Potash Corporation of Saskatchewan	50,000	—
Saskatchewan Development Fund Corporation	—	1,700
Saskatchewan Economic Development Corporation	—	2,000
Saskatchewan Government Printing Corporation	2,176	—
Saskatchewan Power Corporation	54,000	—
	\$ 202,554	\$ 260,356

Government of the Province of Saskatchewan Combined Funds

Schedule 3

Loans to Crown Entities

March 31, 1985

	(\$ Thousands)			
	1985	1984		
	Principal Amount Outstanding	Equity in Sinking Funds	Ending Balance	Ending Balance
Agricultural Credit Corporation of Saskatchewan	\$ 169,843	\$ —	\$ 169,843	\$ 169,843
Crown Investments Corporation of Saskatchewan	564,263	—	564,263	406,263
Municipal Financing Corporation of Saskatchewan	54,723	—	54,723	—
Potash Corporation of Saskatchewan	350,338	—	350,338	338,363
Saskatchewan Economic Development Corporation	48,147	—	48,147	48,147
Saskatchewan Grain Car Corporation	46,350	—	46,350	51,333
Saskatchewan Housing Corporation	317,304	—	317,304	307,913
Saskatchewan Mining Development Corporation	501,382	—	501,382	389,073
Saskatchewan Oil and Gas Corporation	25,000	—	25,000	25,000
Saskatchewan Power Corporation	2,099,654	222,185	1,877,469	1,771,249
Saskatchewan Telecommunications	764,925	91,667	673,258	654,528
Saskatchewan Water Corporation	14,876	10,391	4,485	5,602
	\$ 4,956,805	\$ 324,243	\$ 4,632,562	\$ 4,167,314

Government of the Province of Saskatchewan

Combined Funds

Schedule 4

Other Loans

March 31, 1985

(\$ Thousands)

	1985	1984
Agriculture		
South Saskatchewan River Irrigation Projects		
Acquisition and Improvements of Lands for Resale	\$ 518	\$ 567
Loans to Farm Operators for Land Improvement	87	115
Co-operation and Co-operative Development		
Cable Swift Current Community Co-operative	9	18
Canadian Co-operative Implements Limited	\$ 2,450	\$ 2,450
Less: Provision for Doubtful Accounts	2,450	2,450
Canora District Seed Cleaning Co-operative Limited	9	15
Highland Curling Club Co-operative Limited	47	48
Hudson Bay Dehydrators Mutual Limited	62	66
Education		
School Loans	495	666
Finance		
Receiver General for Canada (Postage Deposit)	250	75
University of Saskatchewan	\$ 2,256	\$ 2,342
Less: Equity in Sinking Fund	589	494
Health		
University Hospital Board	833	889
Tourism and Small Business		
Economic Development Loans	\$ 6,159	\$ 5,029
Less: Provision for Doubtful Accounts	824	721
Urban Affairs		
Agricultural Service Centres Agreement — Shareable	5,028	5,223
Agricultural Service Centres Agreement — Nonshareable	—	15
City of Saskatoon Re: Futurescan Conference	\$ 40	\$ 40
Less: Write-off of Loan	40	—
Employment Loans Program		
— Federal-Provincial	816	880
Employment Loans Program — Provincial	2	5
Loans to Industrial Towns	327	373
Loans to Municipalities Pursuant to Downtown Development Agreements	3,841	2,802
Loans to Municipalities Under The Municipal Development and Loan (Saskatchewan) Act	1,935	2,508
Water Development Agreement	—	27
Winter Works Employment Program		
— Federal-Provincial	4,597	5,090
Winter Works Employment Program — Provincial	1,029	1,157
Crop Insurance Corporation		
Loans to the Saskatchewan Crop Insurance Fund pursuant to an agreement between the Provincial and Federal Governments	1,487	—
Loans to cover crop insurance claims pursuant to an agreement between the Provincial and Federal Governments	90,000	—
Heritage Fund		
Loan and Sale Agreements	6,884	7,551
New Grade Energy Inc.	2,938	—
	\$ 128,196	\$ 34,286

Government of the Province of Saskatchewan Combined Fund

Schedule 5

Loans to the Saskatchewan Agricultural Returns Stabilization Fund

March 31, 1985

(\$ Thousands)

	1985			1984	
	<i>Principal Amount Outstanding</i>	<i>Prior Year's Valuation Provision</i>	<i>Current Year's Valuation Provision</i>	<i>Net</i>	<i>Net</i>
Cow-Calf-to-Finish Plan	\$ 36,542	\$ 15,581	\$ 20,811	\$ 150	\$ 19,474
Feeder-Finish Plan	3,224	—	—	3,224	3,124
Saskatchewan Hog Assured Returns Program	11,400	—	11,400	—	5,820
	\$ 51,166	\$ 15,581	\$ 32,211	\$ 3,374	\$ 28,418

Investment in Crown Entities

March 31, 1985

(\$ Thousands)

	1985			1984		
	Recorded Investment (At Cost)	Unrecorded Equity of Province	Total Equity of Province	Recorded Investment (At Cost)	Unrecorded Equity of Province	Total Equity of Province
Agricultural Credit Corporation of Saskatchewan	\$ 109,976	\$ 207	\$ 109,976	\$ 109,976	\$ 362	\$ 109,976
Crown Investments Corporation of Saskatchewan*	.....	.....	536,007	.....	.....	481,848
— Reinvested Earnings	.....	536,007	94,676	.....	83,628	83,628
— Customer Capital Contribution	.....	94,676	418,554	418,554	.....	418,554
Potash Corporation of Saskatchewan**	418,554	.....	20,052	.....	27,649	27,649
Saskatchewan Housing Corporation*	.....	20,052	116,864	.....	75,634	75,634
Saskatchewan Liquor Board	.....	116,864	98	.....	117	117
Saskatchewan Liquor Licensing Commission	.....	98	218,700	218,700	.....	218,700
Saskatchewan Mining Development Corporation**	218,700	.....	91,500	91,500	.....	91,500
Saskatchewan Oil and Gas Corporation**	91,500	.....	.....	.....	.....	.....
	\$ 838,730	\$ 767,904	\$ 1,606,634	\$ 838,730	\$ 669,238	\$ 1,507,968

* At December 31.

** Unrecorded equity of the Province in these entities is included in the unrecorded equity of the Province in the Crown Investments Corporation of Saskatchewan.

In accordance with the Province's reporting entity policy, investments in its crown entities are recorded only at cost.

This schedule summarizes the significant unrecorded equity (net assets) of the Province in the crown entities at their fiscal year-end which most closely coincides with March 31, 1985 after adjusting for dividends in transit.

Included within the schedule is an appropriation of consolidated reinvested earnings of the Crown Investments Corporation of Saskatchewan (C.I.C.) of \$348,015,000 made by resolution of the C.I.C. Board as available for dividend payment to the Saskatchewan Heritage Fund in recognition of that fund's equity investment in the Potash Corporation of Saskatchewan and in the Saskatchewan Mining Development Corporation. The Corporation's Board may direct that dividend payments from its unappropriated reinvested earnings be made to the Saskatchewan Heritage Fund and/or the Consolidated Fund.

In addition, a portion of the profit of the Saskatchewan Liquor Board is received by the Province as determined from time to time by the Treasury Board.

Government of the Province of Saskatchewan Combined Funds

Schedule 7

Investments in Other Enterprises

March 31, 1985

	(\$ Thousands)	
	1985	1984
Credit Union Central	\$ 1,715	\$ —
New Grade Energy Inc.	735	1
Northland Bank Limited	537	537
Investments in Co-operatives:		
Hudson Bay Dehydrators Mutual Limited	4	5
Lake Lenore Seed Cleaning Co-operative Limited	21	32
Paradise Hill Seed Cleaning Co-operative Limited	22	28
	\$ 3,034	\$ 603

Government of the Province of Saskatchewan Combined Funds

Schedule 8

Promissory Notes

March 31, 1985

	(\$ Thousands)	
Maturity	1985	1984
1984-85	\$ —	\$ 197,000
1985-86	312,000	—
1986-87	300,000	100,000
	\$ 612,000	\$ 297,000

Consists of:	1985	1984
Province's Share	\$ 282,622	\$ 63,644
Crown Entities	329,378	233,356
	\$ 612,000	\$ 297,000

Note: For more detailed information, refer to Part B of this Volume.

***Government of the Province of Saskatchewan
Combined Funds***

Schedule 9

Treasury Bills

March 31, 1985

(\$ Thousands)

<i>Maturity</i>	<i>1985</i>	<i>1984</i>
1984-85	\$ —	\$ 446,960
1985-86	457,140	2,140
1986-87	2,400	2,400
	\$ 459,540	\$ 451,500

<i>Consists of:</i>	<i>1985</i>	<i>1984</i>
Province's Share	\$ 455,000	\$ 445,000
Crown Entities	4,540	6,500
	\$ 459,540	\$ 451,500

Note: For more detailed information, refer to Part B of this Volume.

Government of the Province of Saskatchewan Combined Funds

Schedule 10

Debentures

March 31, 1985

(\$ Thousands)

Year of Maturity	Canadian Dollar Debt	United States Dollar Debt (U.S. Dollars)	United States Dollar Debt (Can. Dollars)	1985	1984
				Total (Canadian Dollars)	Total (Canadian Dollars)
1984-85	\$ —	\$ —	\$ —	\$ —	\$ 9,005
1985-86	115,509	—	—	115,509	115,687
(a) 1986-87	245,271	75,000	103,688	348,959	341,876
(b) 1987-88	235,458	77,663	107,369	342,827	335,387
1988-89	371,971	236,300	326,685	698,656	675,734
(c) 1989-90	249,624	185,000	255,763	505,387	—
1-5 years	1,217,833	573,963	793,505	2,011,338	1,477,689
(d) 6-10 years	392,785	405,302	560,330	953,115	925,864
11-15 years	469,661	—	—	469,661	396,355
16-20 years	1,352,826	—	—	1,352,826	1,277,582
21-25 years	50,554	375,000	518,438	568,992	632,608
26-30 years	634	—	—	634	602
(e) 31-35 years	147	—	—	147	287
	\$ 3,484,440	\$ 1,354,265	\$ 1,872,273	\$ 5,356,713	\$ 4,710,987

The debentures in U.S. dollars have been converted to Canadian Dollars at the exchange rate in effect at March 31, 1985 (\$1.3825) and March 31, 1984 (\$1.2855).

- Note (a) Includes \$150,000,000 maturing April 1, 1986. Extendible at the option of the holder to April 1, 1996, such option to be exercised between April 1, 1985, and October 1, 1985.
- (b) Includes \$77,662,684 U.S. maturing March 1, 1988. The original issue of 150,000,000, 7 3/8%, Swiss franc debentures converted by forward contract to \$77,662,684 U.S.
- (c) Includes \$53,200,000 Canadian, maturing November 15, 1989. The original issue of 40,000,000, 11 7/8% U.S. dollar debentures converted by forward contract to \$53,200,000 Canadian.
Includes \$56,027,073 Canadian maturing March 28, 1990. The original issue of 10,000,000,000, 7.4% Yen debentures, with semi-annual interest payments converted by forward contract to \$56,027,073 Canadian, with annual interest payments and an effective interest rate of 9.53%.
- (d) Includes \$133,550,000 Canadian, maturing March 1, 1992. The original issue of 100,000,000, 10 3/4% U.S. dollar debentures converted by forward contract to \$133,550,000 Canadian.
Includes \$46,452,384 U.S. maturing June 30, 1992. The original issue of 100,000,000, 6 1/4% Swiss franc debentures converted by forward contract to \$46,452,384 U.S.
- (e) Includes \$2,360,386 maturing December 1, 2015, payable in blended semi-annual payments of principal and interest totalling \$76,399. Prepayable in whole or in part any time prior to December 1, 2015, without penalty. The semi-annual principal repayments are included in the total debentures maturing each year.
- (f) Debentures include \$1,240,101,000 (\$1,135,827,000 — March 31, 1984) of Canadian Pension Plan debentures which are subject to redemption on six months notice.

The debentures were issued for the purpose of and are reimbursable from the following sources:

(\$ Thousands)

	1985	1984
Agricultural Credit Corporation of Saskatchewan	\$ 169,843	\$ 169,843
Crown Investments Corporation of Saskatchewan	406,263	406,263
Municipal Financing Corporation of Saskatchewan	54,724	—
Potash Corporation of Saskatchewan	321,938	304,963
Saskatchewan Economic Development Corporation	48,147	48,147
Saskatchewan Heritage Fund: Investment in Agricultural Land	184,436	184,436
Saskatchewan Housing Corporation	317,304	307,913
Saskatchewan Mining Development Corporation	501,382	389,073
Saskatchewan Oil and Gas Corporation	25,000	25,000
Saskatchewan Power Corporation	2,092,665	1,962,009
Saskatchewan Telecommunications	764,925	730,455
Saskatchewan Water Corporation	14,876	14,876
University of Saskatchewan	2,256	2,262
	4,903,759	4,545,240
Province's Share	452,954	165,747
	\$ 5,356,713	\$ 4,710,987

Note: For more detailed information, refer to Part B of this Volume.

Government of the Province of Saskatchewan Combined Funds

Schedule 11

Summary of Sinking Funds

March 31, 1985

(\$ Thousands)

				1985	1984
	<i>Province's Share</i>	<i>Crown Entities' Share</i>	<i>Other Enterprises' Share</i>	<i>Total</i>	<i>Total</i>
Balance, Beginning of year	\$ 25,272	\$ 284,909	\$ 495	\$ 310,676	\$ 314,595
Transferred from Saskatchewan Universities Commission	—	—	—	—	5,373
Contributions Made During the Year	658	21,144	34	21,836	24,198
Earnings in the Year	2,443	33,736	60	36,239	40,534
	28,373	339,789	589	368,751	384,700
Deduct: Funds Applied on Redemption	—	15,546	—	15,546	74,024
Balance, End of Year	\$ 28,373	\$ 324,243	\$ 589	\$ 353,205	\$ 310,676

Government of the Province of Saskatchewan Combined Funds

Schedule 12

Amounts Payable to Crown Entities

March 31, 1985

(\$ Thousands)

	1985	1984
Advanced Technical Training Centre	\$ 1	\$ —
Crop Reinsurance Fund of Saskatchewan	—	41,129
Saskatchewan Liquor Board	82,800	46,000
Special Projects Fund	3,592	30,000
The Market Development Fund	426	355
	\$ 86,819	\$ 117,484

Government of the Province of Saskatchewan Combined Funds

Schedule 13

Guaranteed Debt

March 31, 1985

(\$ Thousands)

	1985	1984
Crown Corporation		
The Crown Corporations Act		
C.I.C. — Floating Rate Deb. Maturing June 15, 1985	\$ 50,000	\$ 50,000
16 5/8 Deb. Maturing August 18, 1987	15,000	15,000
The Municipal Financing Corporation Act		
Guaranteed Debentures	61,000	62,000
Potash Corporation of Saskatchewan		
Royal Trust, London Life Lease	38,000	38,000
T.D., Mutual Life, London Life Lease	47,000	—
Royal Trust Lease	30,830	—
The Power Corporation Act		
I.A.C. Limited — Dragline Lease	29,749	30,145
Manalta Coal**	44,004	45,000
Marubeni Corporation	11,063	—
Saskatchewan Power Savings Bond	58,036	—
The Saskatchewan Development Fund Act		
Guaranteed Investments	5,007	6,131
The Saskatchewan Mining Development Corporation Act		
Floating Rate Deb. Maturing March 1, 1985	—	65,000
Letter of Credit (U.S. Funds — maximum of \$60,000,000 U.S.)	45,235	55,679
Marubeni Corporation (U.S. Funds — maximum \$70,000,000 U.S.)	3,111	—
The Saskatchewan Oil and Gas Corporation Act		
Saskatchewan Oil Bonds	15,000	—
	453,035	366,955
Other		
The Agricultural Incentives Act		
Agricultural Incentives Loans	255	315
Agricultural Credit Corporation of Saskatchewan Operating Loans	80	52
The Agricultural Societies Act		
Loans to Exhibition Associations	1,440	1,623
The Co-operatives Guarantee Act		
Saskatchewan Co-op Credit Society — Loans to Co-operatives	3,374	2,876
The Family Farm Credit Act*		
Co-op Trust Company	339	416
The Farmer's Counselling and Assistance Act	3,666	—
The Feeder Associations Loan Guarantee Act	225	—
The Housing and Special Care Homes Act		
Senior Citizens Housing	1,634	1,634
The Industry and Commerce Development Act		
Loans to Small Business	1,306	6
The Livestock Loans Guarantee Act		
Loans to Livestock Producers	—	19
	12,319	6,941
	\$ 465,354	\$ 373,896

* At December 31

** The amount is net of \$498,000 which is Manalta's equity in the Sinking Fund administered by the Minister of Finance.

NOTE: The Province of Saskatchewan is contingently liable for interest accrued on the above items in addition to the amount shown.

Government of the Province of Saskatchewan Combined Funds

Schedule 14

Summary of Public Debt Transactions

March 31, 1985

(\$ Thousands)

	<i>Balance Beginning of Year</i>	<i>Sold</i>	<i>Redeemed</i>	<i>Exchange Rate Adjustment**</i>	<i>Balance End of Year</i>
Debentures	\$ 4,710,987	\$ 530,114	\$ 10,610	\$ 126,222	\$ 5,356,713
Treasury Bills	451,500	1,820,000	1,811,960	—	459,540
Promissory Notes	297,000	2,180,000	1,865,000	—	612,000
	\$ 5,459,487	\$ 4,530,114	\$ 3,687,570	\$ 126,222	\$ 6,428,253

**Reflects the difference in conversion values at March 31, 1984 and March 31, 1985 resulting from converting \$ U.S. debt into \$ Canadian.

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Consolidated Fund as at March 31, 1985 and the statements of Province's net debt, revenue and expenditure, loan, investment and deposit activity and, financing and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Consolidated Fund as at March 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied, after giving retroactive effect to the change in the method of accounting for public debt payable in a foreign currency and the related loans to crown entities as explained in Note 1n to the financial statements, on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
September 24, 1985.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Financial Position

March 31, 1985

		(\$ Thousands)	
Assets		1985	1984
<i>Schedule</i>			
1	Cash and Short-Term Investments (Note 1d)	\$ 73,935	\$ 65,598
2	Short-Term Loans to Crown Entities (Note 1e)	171,378	233,356
3	Loans to Crown Entities (Note 1f)	4,739,800	4,264,569
4	Other Loans (Note 1g)	118,374	26,735
5	Loans to Saskatchewan Agricultural Returns Stabilization Fund (Note 1h)	3,374	28,418
6	Investments in Other Enterprises (Note 1i)	2,299	602
Total Assets		\$ 5,109,160	\$ 4,619,278

Liabilities and Province's Net Debt

Public Debt (Note 1j)			
7	Promissory Notes (Note 1j)	\$ 612,000	\$ 297,000
8	Treasury Bills (Note 1j)	459,540	451,500
9	Debentures (Note 1j)	5,356,713	4,710,987
10	Less: Sinking Funds (Note 1j)	353,205	310,676
		6,075,048	5,148,811
11	Amounts Payable to Crown Entities (Note 1k)	386,041	355,142
	Conditional Receipts (Note 1l)	6,167	6,509
	Total Liabilities	6,467,256	5,510,462
12	Contingencies (Note 2a)		
	Province's Net Debt	(1,358,096)	(891,184)
Total Liabilities and Province's Net Debt		\$ 5,109,160	\$ 4,619,278

(See accompanying notes)

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Province's Net Debt

For the Year Ended March 31, 1985

	(\$ Thousands)	
	1985	1984
Province's Net Debt, Beginning of Year	\$ (891,184)	\$ (492,627)
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	(437,010)	(377,695)
Sinking Fund Earnings Retained in Sinking Funds	2,443	2,517
Deficiency Arising from the Transfer of the Assets and Liabilities of the Saskatchewan Universities Commission	—	(4,427)
Write-off of Other Loans	(31)	(200)
Valuation Provision in Respect of the Loan to the Saskatchewan Agricultural Returns Stabilization Fund	(32,211)	(15,581)
Provision for Doubtful Accounts in Respect of the Other Loans	(103)	(3,171)
Province's Net Debt, End of Year	\$ (1,358,096)	\$ (891,184)

(See Accompanying Notes)

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Revenue and Expenditure

For the Year Ended March 31, 1985

	(\$ Thousands)	
Revenue	1985	1984
Provincial Taxes		
Corporation Capital	\$ 27,885	\$ 28,985
Corporation Income	121,454	132,204
Fuel	32,108	13,593
Individual Income	554,260	565,209
Insurance	17,472	16,477
Mineral Acreage	3,762	3,765
Sales	345,014	340,325
Tobacco	59,967	48,823
Other Taxes	6,033	6,030
Total Provincial Taxes	1,167,955	1,155,411
Receipts from Government Enterprises and Other Funds		
Saskatchewan Heritage Fund Dividends (Note 2b)	775,000	665,000
Profits Transferred from Saskatchewan Housing Corporation	20,074	—
Saskatchewan Liquor Board Profits (Note 2c)	71,000	79,000
Other Receipts	9,374	5,447
Total Receipts from Government Enterprises and Other Funds	875,448	749,447
Other Own Source Revenues		
Fines, Forfeits and Penalties	7,557	7,380
Interest, Premium, Discount and Exchange	10,160	8,623
Privileges, Licences and Permits		
Lands, Forest, Game, Fur, Fisheries and Water	10,032	9,956
Motor Vehicles	57,346	54,187
Other	8,015	7,433
Sales, Services and Service Fees	38,359	34,656
Other Revenues	20,313	20,658
Total Other Own Source Revenues	151,782	142,893
Receipts from Other Governments		
Agricultural and Rural Development Act	345	261
Canada Assistance Plan	143,667	139,766
Department of Regional Industrial Expansion	2,665	6,900
Equalization Payment (Note 2d)	(22,913)	(22,913)
Established Programs Financing	420,181	372,648
Manpower Agreements	28,605	19,877
Statutory Subsidy	2,178	2,160
Other Federal Contributions	15,568	33,075
Other Receipts	7,732	5,931
Total Receipts from Other Governments	598,028	557,705
Total Revenue	\$ 2,793,213	\$ 2,605,456

(See Accompanying Notes)

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Revenue and Expenditure

For the Year Ended March 31, 1985

	(\$ Thousands)	
<i>Expenditure</i>	1985	1984
Advanced Education and Manpower	\$ 257,004	\$ 230,109
Agriculture	109,157	74,490
Consumer and Commercial Affairs	5,667	5,136
Co-operation and Co-operative Development	2,865	2,879
Culture and Recreation	20,992	16,716
Economic Development and Trade	11,317	5,726
Education	378,983	415,087
Employment Development Agency	222	—
Energy and Mines	10,618	9,826
Environment	10,554	8,173
Executive Council	6,904	7,158
Finance: Interest on Public Debt (Note 1m)	102,470	56,513
Other	24,736	27,148
Health	1,011,858	960,565
Highways and Transportation	208,524	213,725
Indian and Native Affairs Secretariat	4,459	4,831
Intergovernmental Affairs	—	64
Justice	107,955	102,954
Labour	9,527	9,431
Legislation	9,386	9,351
The Local Government Board	432	389
Northern Affairs Secretariat	355	—
Department of Northern Saskatchewan	—	17,691
Parks and Renewable Resources	70,166	55,470
Provincial Auditor	3,604	3,223
Provincial Library	7,578	7,434
Provincial Secretary	605	569
Public and Private Rights Board	—	86
Public Service Commission	6,293	6,094
Revenue and Financial Services	117,506	72,525
Rural Development	53,847	51,368
The Saskatchewan Assessment Authority	5,668	4,726
Saskatchewan Crop Insurance Corporation	9,238	1,000
The Saskatchewan Research Council	4,431	3,876
Science and Technology	979	201
Social Services	328,444	302,359
Supply and Services	91,655	85,739
Surface Rights Arbitration Board	—	166
Department of Telephones	125	307
Tourism and Small Business	22,608	4,955
Urban Affairs	213,208	205,051
Women's Secretariat	283	40
Total Expenditure	\$ 3,230,223	\$ 2,983,151
Excess of Revenue over Expenditure (Expenditure over Revenue)	\$ (437,010)	\$ (377,695)

(See Accompanying Notes)

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Loan, Investment and Deposit Activity

For the Year Ended March 31, 1985

	(\$ Thousands)			
	1985		1984	
	Disbursements	Receipts	Disbursements	Receipts
Loans				
Municipal Financing				
Corporation of Saskatchewan	\$ 54,723	\$ —	\$ —	\$ —
Potash Corporation of Saskatchewan	—	—	80,000	25,000
Saskatchewan Housing Corporation	9,391	—	—	—
Saskatchewan Power Corporation	80,386	11,604	198,170	65,649
Sask Tel	14,497	—	22,641	41,860
Agricultural Credit Corporation of Saskatchewan	—	—	13,517	—
Crown Investments Corporation of Saskatchewan	158,000	—	20,000	—
Saskatchewan Mining Development Corporation	82,950	—	—	—
Saskatchewan Agricultural Returns Stabilization Fund	8,767	1,600	16,073	880
Other	149,609	57,742	51,347	53,246
Total Loan Disbursements and Receipts	558,323	70,946	401,748	186,635
Investments				
Saskatchewan Housing Corporation	—	—	—	11,173
Other	1,715	18	—	18
Total Investment Disbursements and Receipts	1,715	18	—	11,191
Deposits				
Crown Entities	1,009,709	1,040,608	870,137	964,193
Sinking Fund	21,836	21,178	24,198	23,600
Conditional Receipts	342	—	—	1,780
Total Deposit Disbursements and Receipts	1,031,887	1,061,786	894,335	989,573
Total Disbursements and Receipts	\$ 1,591,925	\$ 1,132,750	\$ 1,296,083	\$ 1,187,399
Total Excess of Disbursements Over Receipts	\$ 459,175		\$108,684	

(See Accompanying Notes)

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Financing and Changes in Financial Position

For the Year Ended March 31, 1985

(\$ Thousands)				
	1985		1984	
Cash Requirements				
<i>Revenue and Expenditure</i>				
Expenditure	\$ 3,230,223		\$ 2,983,151	
Revenue	2,793,213	\$ 437,010	2,605,456	\$ 377,695
<i>Loan, Investment and Deposit</i>				
Disbursements	1,591,925		1,296,083	
Receipts	1,132,750	459,175	1,187,399	108,684
Net Cash Requirement		896,185		486,379
<i>Financing (Schedule 13)</i>				
Proceeds from Debt	4,530,114		3,618,867	
Repayment of Debt	3,687,570	842,544	2,925,601	693,266
Net Increase (Decrease) in Cash, Short-Term Loans and Investments		(53,641)		206,887
Cash, Short-Term Loans and Investments, Beginning of Year		298,954		92,067
Cash, Short-Term Loans and Investments, End of Year		\$ 245,313		\$ 298,954

(See accompanying notes)

Government of the Province of Saskatchewan

Consolidated Fund

Notes to the Financial Statements

For the Year Ended March 31, 1985

1. Significant Accounting Policies

General Policies

1a. Reporting Entity

These financial statements have been prepared for the purpose of disclosing the state of the Consolidated Fund at March 31, 1985 and the results of its financial activities for the year then ended in accordance with the statutory authorities governing its operation.

The Consolidated Fund is the general fund of the Province into which all revenues over which the Legislative Assembly has power of appropriation flow, unless the Legislative Assembly directs otherwise. The Legislative Assembly has directed that certain revenue is to flow into other funds of the Province or to crown entities such as Provincial crown corporations, agencies, boards and commissions. The financial transactions relating to such other funds and crown entities are reflected only to the extent that their operations were financed by or contributed to the Consolidated Fund. Their accumulated surpluses or deficits are not included.

A variety of special purpose and other funds are administered by the Minister of Finance. Included within these funds are superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements, and special purpose monies held for specified uses. The assets, liabilities, and residual balances of these are maintained and reported separately from those of the reporting entity.

1b. Basis of Accounting

The financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payments are made. In addition, revenues received in the 30 days of April in respect of revenue raised up to March 31 of the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

1c. Classification of Financial Transactions

In accounting for the financial transactions, a distinction is drawn between those transactions which affect the net debt and those which affect only recorded assets and liabilities. This segregation originates from the net debt concept. The net debt of the Province is the difference between recorded liabilities minus assets and represents the difference

between accumulated revenues and accumulated expenditures. Since revenues and expenditures only affect the net debt, financing activities and transactions which arise from the financing activities (lending and investing) only affect recorded assets and liabilities. Accordingly, transactions are recorded within three categories: Revenue and Expenditure, Lending and Investing, and Financing Activities.

• Revenue and Expenditure

Revenue and expenditure relate to normal operating activities.

• Revenue

Revenue includes revenue raised through taxation, premiums, fees, licences and permits, receipts from the Federal government under fiscal arrangements and shared-cost programs, income from investments and dividends or transfers from other funds and accounting gains on the sale of certain agricultural lands.

• Expenditure

Expenditure includes payments for goods and services, salaries, transfer payments to individuals, municipalities and institutions, subsidies and grants, the acquisition or construction of fixed assets, and interest on public debt.

• Lending and Investing

These transactions result from lending and investing functions which include the Province's lending and investing activity in various crown entities, other organizations and individuals, and the administration of funds held for certain crown entities.

• Financing Activities

Financing activities are the borrowing and repayment transactions of the province and include the borrowing on behalf of various crown entities.

• Assets and Liabilities

The majority of the assets and liabilities recorded in the statements are a result of the intermediary activity of borrowing on behalf of various crown entities. In general terms assets will consist of cash, short-term investments, and loans to or investments in crown entities and other organizations and individuals. Capital assets are treated as an expenditure in the year of purchase.

Liabilities consist of promissory notes, treasury bills and debentures to be repaid to outside parties and amounts that are due to provincially created crown entities.

Government of the Province of Saskatchewan Consolidated Fund

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies — (Continued)

General Policies — (Concluded)

1c. Classification of Financial Transactions — (Concluded)

• Revolving Fund Transactions

Various revolving funds have been established to provide services to the Province or the public. Each of these have statutory authority to make payments out of The Consolidated Fund for the provision of specified services.

Except for transactions relating to loans and advances to third parties, any net cash expenditure on behalf of a revolving fund is classified as an expenditure. Any net cash revenue is classified as a reduction in expenditures. Loans and advances to third parties are classified as lending and investment transactions, and any amounts outstanding are shown as an asset.

Specific Policies

1d. Cash and Short-Term Investments

• Cash

Cash recorded is the balance on hand in the Consolidated Fund at March 31, adjusted for transactions during the 30 days following the end of the fiscal year relating to the reporting fiscal year.

• Short-Term Investments

Short-term investments represent those investments purchased under authority of *The Department of Finance Act, 1983*. These investments consist mainly of chartered bank notes, treasury bills, commercial paper and bonds maturing within one year.

Short-term investments are carried at cost. Any gain (loss) on disposal of short-term investments is recorded as revenue (expenditure).

1e. Short-Term Loans to Crown Entities

These represent interest bearing loans made for a period of less than one year. Short-term loans are valued at cost.

Interest received on short-term loans is applied to offset the interest paid on the Province's share of public debt.

1f. Loans to Crown Entities

These are loans made for a period of greater than one year to crown corporations, The Saskatchewan Heritage Fund, boards and commissions and generally have fixed terms of repayment.

Loans are valued at cost. In cases where the liabilities of a crown entity significantly exceed the estimated realizable value of its assets and the accumulated deficit is not funded by an appropriation, the loan will be written down. All write-downs are charged directly to equity.

Where the Province obtains the funds for making the loans through issuing of debentures, the crown entities are required to provide the funds to repay debt. Where sinking fund requirements are attached to the underlying debt issue, crown entities must reimburse the Province for payments made to the sinking fund. Accordingly, the crown entities equity (i.e. contributions and earnings) in the sinking funds reduce the recorded value of loans and advances.

Interest received from crown entities is offset against the Province's interest expense in debt issues.

1g. Other Loans

Other loans are those made to nongovernment agencies or individuals and are subject to a variety of interest rates and terms of repayment.

Other loans are carried at cost and will be revalued when it becomes evident that they are uncollectible. Any write-downs are charged directly to equity.

Interest received from these loans is recorded as revenue.

1h. Loans to the Saskatchewan Agricultural Returns Stabilization Fund

Loans have been made to the Cow-Calf-to-Finish Plan, Feeder-Finish Plan and the Saskatchewan Hog Assured Returns Program. The loans are all interest-bearing except for an amount of \$13,127,000 relating to the 50 Purchased Feeders Option under the Cow-Calf-to-Finish Plan.

These plans are reviewed annually and when it becomes evident that the plans will be unable to repay the loans in whole or part, an appropriate revaluation will be made. All write-downs are charged directly to equity.

1i. Investments in Other Enterprises

These represent investments in nongovernment enterprises.

The investments are valued at cost and will be revalued when it becomes evident that there has been a permanent reduction in the value of the investment.

Any write-down of an investment is charged to equity.

Government of the Province of Saskatchewan

Consolidated Fund

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies — (Continued)

Specific Policies — (Continued)

1j. Public Debt

Public debt represents obligations of the Province to outside parties arising from its borrowing activities to finance the Province's operations or to finance loans to crown entities. Public debt consists of promissory notes, treasury bills and debentures.

• Borrowing on Behalf of Crown Entities

Where the Province performs the intermediary function of borrowing on behalf of crown entities, the funds required to repay the principal amount of the debt attributable to these entities are reimbursed by them.

Because this debt is reimbursable, interest received from the crown entities is offset against the interest paid on the debt.

All debentures due in foreign currency will be repaid when due by these entities in requisite amounts. For reporting purposes, all debentures due in foreign currency have been converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

• Investment in Agricultural Land

Debt acquired for the purpose of financing the Investment in Agricultural Land now held by the Saskatchewan Heritage Fund but formerly held by the Saskatchewan Land Bank Commission is considered to be fully reimbursable from the proceeds from the sale of the Agricultural Lands to be received by the Heritage Fund. The interest paid on the public debt which is considered to be fully reimbursable from the lease fee revenue on the lands, received in the Farm Purchase Program Fund, is offset against the interest paid on the debt. To the extent lease fees are insufficient for this purpose, an appropriation of funds from the Saskatchewan Heritage Fund is made to cover the deficiency.

The balance of the public debt is borrowed for the purpose of the Province. The interest paid on this portion is shown as Interest on Public Debt under the Department of Finance in the Statement of Revenue and Expenditure.

• Promissory Notes

Promissory notes are issued to cover temporary insufficiencies of the Consolidated Fund and for funding short-term advances to crown entities.

Promissory notes are carried at face value.

• Treasury Bills

Treasury bills are issued to cover temporary insufficiencies of the Consolidated Fund and for financing 50% of the Province's share of the cost of the South Saskatchewan River Development Project (Saskatchewan Power Corporation).

Treasury bills are carried at par.

• Debentures

Debentures are issued to finance activities of the Province and for funding long-term loans to crown entities.

Debentures are carried at par. In the year in which debentures are issued, discounts are charged to expenditure and any premiums are recorded as revenue. Where borrowing is made to finance loans to crown entities, all expenses including discounts are charged directly to the crown entities and premiums are paid to the crown entities.

Most public debentures issued require payments into a sinking fund in accordance with the sinking fund policy.

Repayments of principal where sinking funds are not required directly reduce the liability.

• Sinking Funds

The Province has a general sinking fund into which payments are made on most public debenture issues. Annual payments to the general sinking fund under this policy have been based on 1% or 1½% of the principal amount outstanding of the applicable debenture issued. The Province requires that it be reimbursed by crown entities for all sinking fund payments made on debt incurred on behalf of crown entities. Notwithstanding this requirement, the Province assumes direct responsibility for all payments to sinking funds.

Sinking fund monies are invested in Province of Saskatchewan debentures, other provincial government or provincial government guaranteed securities, federal government or federal government guaranteed securities, or high grade Canadian municipal securities until such time as the monies are required for retirement of debt. Sinking fund monies are subject to noncash calculations regarding earnings in accordance with the following accounting policies.

- Interest on long-term investments is accrued. Short-term investment earnings are recognized as received.
- Premium/discount on long-term investments is amortized by type of security to maintain a constant yield over the life of the investment.

Government of the Province of Saskatchewan

Consolidated Fund

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies — (Concluded)

Specific Policies — (Concluded)

1j. Public Debt — (Concluded)

- **Sinking Funds — (Concluded)**
- Gains/losses on the sale of long-term investments are recognized in the period the sale was transacted.

Earnings of the sinking funds are retained within the sinking funds and, accordingly, are not recorded as revenue but are credited directly to equity.

1k. Amounts Payable to Crown Entities

These represent amounts held on deposit in the Consolidated Fund on behalf of certain crown entities at no interest.

1l. Conditional Receipts

The Province receives funds for which the ultimate disposition is not immediately known or which is subject to some future action beyond the control of the payor. These funds are deposited to the credit of a liability account entitled "Conditional Receipts". The balance reflected is that for such funds held as at March 31.

1m. Interest on Public Debt

Interest on public debt includes interest paid by the Province on promissory notes, treasury bills and debentures, but does not include interest on public debt borrowed by the Province on behalf of crown entities (Note 1j).

1n. Change in Accounting Policy

A change in accounting policy with respect to accounting for foreign debt was implemented during the 1984-85 fiscal year with retroactive application to the 1983-84 fiscal year. All public debt and related loans to crown entities payable in foreign currency have been converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

The effect of the change in accounting policy is to increase debentures and loans to crown entities by \$518,008,000 (1984 — \$371,504,000), increase proceeds from debt and loan disbursements by \$22,950,000 (1984 — nil) and increase loan receipts and repayment of debt by \$2,668,000 (1984 — \$6,332,000).

2. Additional Information

2a. Contingencies

- **Guaranteed Debt**

The Province has explicitly guaranteed the repayment of the principal and interest of certain

bonds, debentures and loans of various organizations including crown entities. The total principal portion of all guaranteed debt at March 31 was \$465,354,000 (\$373,896,000 at March 31, 1984).

The guaranteed debt is not a recorded liability until conditions exist or events occur which would require the Province to assume the repayment of the debt. At March 31, there were no organizations in receivership whose debt had been guaranteed.

- **Litigation Matters**

The Province has a contingent liability in respect of a claim filed by the Cumberland House Local Community, the Village of Cumberland House and Cumberland Fisherman's Co-op Ltd., against the Saskatchewan Power Corporation and the Government of Saskatchewan. The plaintiffs are claiming \$150 million in damages resulting from the losses they allege they will suffer as a result of the construction and operation of the Squaw Rapid Dam. The outcome of this action is uncertain and the likely loss to the Province, if any, cannot be determined.

The Province is also named as defendant in various other legal actions, in excess of \$500,000 totalling approximately \$11.1 million. The outcome of these actions are uncertain and the likely loss to the Province, if any, cannot be determined.

2b. Saskatchewan Heritage Fund Dividends

The Consolidated Fund receives fund dividends from the Saskatchewan Heritage Fund as made available by an annual appropriation in the Saskatchewan Heritage Fund. Payments are made upon the direction of the Minister of Finance.

2c. Saskatchewan Liquor Board Profits

The Consolidated Fund receives a portion of the profits of the Saskatchewan Liquor Board as determined from time to time by Treasury Board.

2d. Equalization Payment

Contained in receipts from other governments is a reduction to revenue of \$22,913,000 for an equalization payment to the federal government resulting from an amendment to its calculation of equalization payments which occurred subsequent to March 31, 1982.

The amendment resulted in the Province being overpaid by \$117,400,000 in total. By agreement with the federal government, this amount is being repaid by reducing other federal transfer payments over a five year period. At March 31, 1985, \$45,826,000 remains outstanding and will be reduced in equal amounts over the next two fiscal years.

Government of the Province of Saskatchewan

Consolidated Fund

Notes to the Financial Statements — (Continued)

2. Additional Information

— (Continued)

2e. Overcommitments

The Province of Saskatchewan uses the modified cash basis of accounting. Under this method, accounts receivable or payable are not recorded.

There is a legislative requirement that no liability shall be incurred which exceeds the unencumbered balance of an appropriation.

Three departments overcommitted their appropriations by a total of \$266,000 at March 31, 1985:

	(\$ Thousands)
Culture and Recreation	\$105
Energy and Mines	76
Finance	85
	<u>\$266</u>

The overcommitted figure reflects the amount by which expenditures plus accounts payable exceed the estimates adjusted for special warrants and virements.

Accounts payable are defined to be a debt for goods or services received by a department prior to March 31, 1985 and which remain unpaid at April 30, 1985.

2f. Significant Long-Term Obligations

The Province entered into a lease agreement with Saskatchewan Government Insurance in 1981 to lease an office building in Prince Albert, Saskatchewan for a term of 30 years ending on April 30, 2011. The lease requires annual payments of approximately \$1.6 million.

Effective April 1, 1984, the Province entered into a ten year purchase agreement with the Crown Investments Corporation of Saskatchewan to acquire an office building in Regina. The agreement calls for payments of approximately \$2.9 million annually for the ten year period ending on March 31, 1994.

Obligations under these lease agreements are treated as expenditures as paid.

2g. Superannuation

For certain pension plans the Province pays, out of Consolidated Fund, part of the benefits and/or is responsible for any deficiency arising when the benefits exceed the assets available in the funds.

The following is a brief description of these plans:

• Public Service Superannuation Plan

This is an unfunded plan. All employee contributions are recorded as revenue of the Consolidated Fund, and all payments required are recorded as expenditures of the Consolidated Fund.

• Public Employees (Government Contributory) Superannuation Plan

This is a funded plan, with employee contributions being matched by the Province. A separate fund is maintained for receiving all contributions, with allowances and refunds being made from the fund based upon the contribution made and investment earnings allocated. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

• Teachers' Superannuation Fund

Teacher contributions are paid into a separate fund, with allowances and benefits being made from the fund. Teacher contributions on and after July 1, 1980 are matched by the Province, with these monies also being paid into the fund. The Province's contribution is recorded as an expenditure of the Consolidated Fund. The Province is responsible for any deficiency arising when retirement benefits and allowances exceed the assets available in the fund.

• Teachers' Annuity Fund

This is a funded plan for teachers who had never taught in the provincial school system prior to July 1, 1980 and enter the school system after that date. Teacher contributions are matched by the Province. Contributions are paid into a separate fund, with allowances and refunds being made from the fund based upon the contribution made and investment earnings allocated. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

Government of the Province of Saskatchewan

Consolidated Fund

Notes to the Financial Statements — (Continued)

2. Additional Information — (Continued)

2g. Superannuation — (Continued)

• Teachers' Supplementary Allowances Fund

This fund was created in conjunction with the Teachers' Annuity Fund. A designated portion of contributions made by teachers into the Annuity Fund is paid into the Teachers' Supplementary Allowances Fund for the purpose of increasing allowances for cost of living and to pay survivor benefits to dependents of teachers. Teacher contributions are matched by the Province. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

• Members of the Legislative Assembly Superannuation Fund

This is a funded plan, with employee contributions being matched by the Province. The Province also contributes an annual payment and any other amounts that may be appropriated. Contributions are paid into a separate fund, with allowances and refunds being made from the fund. The Province's contribution is recorded as an expenditure of the Consolidated Fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

• Judges of the Provincial Court Superannuation Fund

Employee contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

Annuities and allowances made under The Magistrates Court Act (repealed) are also paid out of the Judges of the Provincial Court Superannuation Fund. Employees do not make contributions. The Consolidated Fund reimburses the Provincial Court Superannuation Fund for all payments to superannuates.

• Anti-Tuberculosis League Employees Superannuation Fund

Employee contributions are matched by The Saskatchewan Anti-Tuberculosis League. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

• Saskatchewan Transportation Company Employees Superannuation Fund

Employee contributions are matched by the Saskatchewan Transportation Company. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

Government of the Province of Saskatchewan

Consolidated Fund

Notes to the Financial Statements — (Concluded)

2. Additional Information

— (Concluded)

2g. Superannuation — (Concluded)

The following is a summary of the unfunded liability in respect of these pension plans as indicated in the most recent actuarial reports:

(\$ Thousands)				
	<i>Date of Report</i>	<i>Liability As At</i>	<i>Unfunded Liability</i>	
			<i>Past Service</i>	<i>Future Service</i>
Public Service Superannuation Plan	Mar./84	Mar./83	\$ 992,489	\$ 620,321
Public Employees (Government Contributory) Superannuation Plan			N/A	N/A
Teachers' Superannuation Fund	Sept./84	June/83	1,079,549	268,171
Teachers' Annuity Fund			N/A	N/A
Teachers' Supplementary Allowances Fund			N/A	N/A
Members of the Legislative Assembly Superannuation Fund	Mar./84	Mar./83	15,096	1,305
Judges of the Provincial Court Superannuation Fund	Jan./83	Jan./83	6,330	**
Anti-Tuberculosis League Employees Superannuation Fund	Jan./85	Mar./84	1,238	*(135)
Saskatchewan Transportation Company Employees Superannuation Fund	Jan./85	Mar./84	3,816	*(1,158)
			\$ 2,098,518	\$ 888,504

* surplus

** 17.11% of Salary Projection

2h. Comparative Information

Certain of the 1984 figures have been reclassified to conform with the current year presentation.

Government of the Province of Saskatchewan Consolidated Fund

Schedule 1

Cash and Short-Term Investments

March 31, 1985

(\$ Thousands)

	1985	1984
Cash (Overdraft)	\$ (71,408)	\$ (44,364)
Short-Term Investments	145,343	109,962
	\$ 73,935	\$ 65,598

The market value of the Short-Term Investments at March 31, 1985 is \$145,343,000 (March 31, 1984 \$109,962,000).

Government of the Province of Saskatchewan Consolidated Fund

Schedule 2

Short-Term Loans to Crown Entities

March 31, 1985

(\$ Thousands)

	1985	1984
Agricultural Development Corporation	\$ 7,878	\$ —
Crown Investments Corporation of Saskatchewan	59,500	194,336
Farm Purchase Program Fund	—	820
Municipal Financing Corporation of Saskatchewan	—	35,800
Potash Corporation of Saskatchewan	50,000	—
Saskatchewan Development Fund Corporation	—	400
Saskatchewan Economic Development Corporation	—	2,000
Saskatchewan Power Corporation	54,000	—
	\$ 171,378	\$ 233,356

Government of the Province of Saskatchewan Consolidated Fund

Schedule 3

Loans to Crown Entities

March 31, 1985

(\$ Thousands)

			1985	1984
	Principal Amount Outstanding	Equity in Sinking Funds	Ending Balance	Ending Balance
Agricultural Credit Corporation of Saskatchewan	\$ 169,843	\$ —	\$ 169,843	\$ 169,843
Crown Investments Corporation of Saskatchewan	564,263	—	564,263	406,263
Municipal Financing Corporation of Saskatchewan	54,723	—	54,723	—
Potash Corporation of Saskatchewan	321,938	—	321,938	304,963
Saskatchewan Economic Development Corporation	48,147	—	48,147	48,147
Saskatchewan Heritage Fund	184,436	—	184,436	184,436
Saskatchewan Housing Corporation	317,304	—	317,304	307,913
Saskatchewan Mining Development Corporation	501,382	—	501,382	389,073
Saskatchewan Oil and Gas Corporation	25,000	—	25,000	25,000
Saskatchewan Power Corporation	2,097,206	222,185	1,875,021	1,768,801
Saskatchewan Telecommunications	764,925	91,667	673,258	654,528
Saskatchewan Water Corporation	14,876	10,391	4,485	5,602
	\$ 5,064,043	\$ 324,243	\$ 4,739,800	\$ 4,264,569

Government of the Province of Saskatchewan

Consolidated Fund

Schedule 4

Other Loans

March 31, 1985

(\$ Thousands)

	1985	1984
Agriculture		
South Saskatchewan River Irrigation Projects		
Acquisition and Improvements of Lands for Resale	\$ 518	\$ 567
Loans to Farm Operators for Land Improvement	87	115
Co-operation and Co-operative Development		
Cable Swift Current Community Co-operative	9	18
Canadian Co-operative Implements Limited	\$ 2,450	\$ 2,450
Less: Provision for Doubtful Accounts	<u>2,450</u>	<u>2,450</u>
Canora District Seed Cleaning Co-operative Limited	9	15
Highland Curling Club Co-operative Limited	47	48
Hudson Bay Dehydrators Mutual Limited	62	66
Education		
School Loans	495	666
Finance		
Receiver General for Canada (Postage Deposit)	250	75
University of Saskatchewan	\$ 2,256	\$ 2,342
Less: Equity in Sinking Fund	<u>589</u>	<u>494</u>
	1,667	1,848
Health		
University Hospital Board	833	889
Tourism and Small Business		
Economic Development Loans	\$ 6,159	\$ 5,029
Less: Provision for Doubtful Accounts	<u>824</u>	<u>721</u>
	5,335	4,308
Urban Affairs		
Agricultural Service Centres Agreement — Shareable	5,028	5,223
Agricultural Service Centres Agreement — Nonshareable	—	15
City of Saskatoon Re: Futurescan Conference	\$ 40	
Less: Write-off of Loan	<u>40</u>	40
Employment Loans Program — Federal-Provincial	816	880
Employment Loans Program — Provincial	2	5
Loans to Industrial Towns	327	373
Loans to Municipalities Pursuant to Downtown Development Agreements	3,841	2,802
Loans to Municipalities Under The Municipal Development and Loan (Saskatchewan) Act	1,935	2,508
Water Development Agreement	—	27
Winter Works Employment Program — Federal-Provincial	4,597	5,090
Winter Works Employment Program — Provincial	1,029	1,157
Crop Insurance Corporation Insurance Fund		
Loans to the Saskatchewan Crop Insurance Fund pursuant to an agreement between the Provincial and Federal Governments	1,487	—
Loans to cover crop insurance claims pursuant to an agreement between the Provincial and Federal Governments	90,000	—
	\$ 118,374	\$ 26,735

**Government of the Province of Saskatchewan
Consolidated Fund**

Schedule 5

Loans to the Saskatchewan Agricultural Returns Stabilization Fund

March 31, 1985

			(\$ Thousands)	
			1985	1984
	<i>Principal Amount Outstanding</i>	<i>Prior Year's Valuation Provision</i>	<i>Current Year's Valuation Provision</i>	<i>Net</i>
Cow-Calf-to-Finish Plan	\$ 36,542	\$ 15,581	\$ 20,811	\$ 19,474
Feeder-Finish Plan	3,224	—	—	3,124
Saskatchewan Hog Assured Returns Program	11,400	—	11,400	5,820
	\$ 51,166	\$ 15,581	\$ 32,211	\$ 28,418

**Government of the Province of Saskatchewan
Consolidated Fund**

Schedule 6

Investments in Other Enterprises

March 31, 1985

			(\$ Thousands)	
			1985	1984
Credit Union Central			\$ 1,715	\$ —
Northland Bank Limited			537	537
Investments in Co-operatives:				
Hudson Bay Dehydrators Mutual Limited			4	5
Lake Lenore Seed Cleaning Co-operative Limited			21	32
Paradise Hill Seed Cleaning Co-operative Limited			22	28
			\$ 2,299	\$ 602

**Government of the Province of Saskatchewan
Consolidated Fund**

Schedule 7

Promissory Notes

March 31, 1985

(\$ Thousands)

Maturity	1985	1984
1984-85	\$ —	\$ 197,000
1985-86	312,000	—
1986-87	300,000	100,000
	\$ 612,000	\$ 297,000

Consists of:

	1985	1984
Province's Share	\$ 282,622	\$ 63,644
Crown Entities	329,378	233,356
	\$ 612,000	\$ 297,000

Note: For more detailed information, refer to Part B of this Volume.

**Government of the Province of Saskatchewan
Consolidated Fund**

Schedule 8

Treasury Bills

March 31, 1985

(\$ Thousands)

Maturity	1985	1984
1984-85	\$ —	\$ 446,960
1985-86	457,140	2,140
1986-87	2,400	2,400
	\$ 459,540	\$ 451,500

Consists of:

	1985	1984
Province's Share	\$ 455,000	\$ 445,000
Crown Entities	4,540	6,500
	\$ 459,540	\$ 451,500

Note: For more detailed information, refer to Part B of this Volume.

Government of the Province of Saskatchewan

Consolidated Funds

Schedule 9

Debentures

March 31, 1985

(\$ Thousands)

Year of Maturity	Canadian Dollar Debt	United States Dollar Debt (U.S. Dollars)	United States Dollar Debt (Can. Dollars)	1985	1984
				Total (Canadian Dollars)	Total (Canadian Dollars)
1984-85	\$ —	\$ —	\$ —	\$ —	\$ 9,005
1985-86	115,509	—	—	115,509	115,687
(a) 1986-87	245,271	75,000	103,688	348,959	341,876
(b) 1987-88	235,458	77,663	107,369	342,827	335,387
1988-89	371,971	236,300	326,685	698,656	675,734
(c) 1989-90	249,624	185,000	255,763	505,387	—
1-5 years	1,217,833	573,963	793,505	2,011,338	1,477,689
(d) 6-10 years	392,785	405,302	560,330	953,115	925,864
11-15 years	469,661	—	—	469,661	396,355
16-20 years	1,352,826	—	—	1,352,826	1,277,582
21-25 years	50,554	375,000	518,438	568,992	632,608
26-30 years	634	—	—	634	602
(e) 31-35 years	147	—	—	147	287
	\$ 3,484,440	\$ 1,354,265	\$ 1,872,273	\$ 5,356,713	\$ 4,710,987

The debentures in U.S. dollars have been converted to Canadian Dollars at the exchange rate in effect at March 31, 1985 (\$1.3825) and March 31, 1984 (\$1.2855).

- Note (a) Includes \$150,000,000 maturing April 1, 1986. Extendible at the option of the holder to April 1, 1996, such option to be exercised between April 1, 1985, and October 1, 1985.
- (b) Includes \$77,662,684 U.S. maturing March 1, 1988. The original issue of 150,000,000, 7 3/8%, Swiss franc debentures converted by forward contract to \$77,662,684 U.S.
- (c) Includes \$53,200,000 Canadian, maturing November 15, 1989. The original issue of 40,000,000, 11 7/8% U.S. dollar debentures converted by forward contract to \$53,200,000 Canadian.
Includes \$56,027,073 Canadian maturing March 28, 1990. The original issue of 10,000,000,000, 7.4% Yen debentures, with semi-annual interest payments converted by forward contract to \$56,027,073 Canadian, with annual interest payments and an effective interest rate of 9.53%.
- (d) Includes \$133,550,000 Canadian, maturing March 1, 1992. The original issue of 100,000,000, 10 3/4% U.S. dollar debentures converted by forward contract to \$133,550,000 Canadian.
Includes \$46,452,384 U.S. maturing June 30, 1992. The original issue of 100,000,000, 6 1/4% Swiss franc debentures converted by forward contract to \$46,452,384 U.S.
- (e) Includes \$2,360,386 maturing December 1, 2015, payable in blended semi-annual payments of principal and interest totalling \$76,399. Prepayable in whole or in part any time prior to December 1, 2015, without penalty. The semi-annual principal repayments are included in the total debentures maturing each year.
- (f) Debentures includes \$1,240,101,000 (\$1,135,827,000 — March 31, 1984) of Canadian Pension Plan debentures which are subject to redemption on six months notice.

The debentures were issued for the purpose of and are reimbursable from the following sources:

(\$ Thousands)

	1985	1984
Agricultural Credit Corporation of Saskatchewan	\$ 169,843	\$ 169,843
Crown Investments Corporation of Saskatchewan	406,263	406,263
Municipal Financing Corporation of Saskatchewan	54,724	—
Potash Corporation of Saskatchewan	321,938	304,963
Saskatchewan Economic Development Corporation	48,147	48,147
Saskatchewan Heritage Fund: Investment in Agricultural Land	184,436	184,436
Saskatchewan Housing Corporation	317,304	307,913
Saskatchewan Mining Development Corporation	501,382	389,073
Saskatchewan Oil and Gas Corporation	25,000	25,000
Saskatchewan Power Corporation	2,092,665	1,962,009
Saskatchewan Telecommunications	764,925	730,455
Saskatchewan Water Corporation	14,876	14,876
University of Saskatchewan	2,256	2,262
	4,903,759	4,545,240
Province's Share	452,954	165,747
	\$ 5,356,713	\$ 4,710,987

Note: For more detailed information, refer to Part B of this Volume.

Government of the Province of Saskatchewan

Consolidated Fund

Schedule 10

Summary of Sinking Funds

March 31, 1985

(\$ Thousands)

				1985	1984
	Province's Share	Crown Entities' Share	Other Enterprises' Share	Total	Total
Balance, Beginning of year	\$ 25,272	\$ 284,909	\$ 495	\$ 310,676	\$ 314,595
Transferred from Saskatchewan Universities Commission	—	—	—	—	5,373
Contributions Made During the Year	658	21,144	34	21,836	24,198
Earnings in the Year	2,443	33,736	60	36,239	40,534
	28,373	339,789	589	368,751	384,700
Deduct: Funds Applied on Redemption	—	15,546	—	15,546	74,024
Balance, End of Year	\$ 28,373	\$ 324,243	\$ 589	\$ 353,205	\$ 310,676

Government of the Province of Saskatchewan

Consolidated Fund

Schedule 11

Amounts Payable to Crown Entities

March 31, 1985

(\$ Thousands)

	1985	1984
Advanced Technical Training Centre	\$ 1	\$ —
Crop Reinsurance Fund of Saskatchewan	—	41,129
Saskatchewan Liquor Board	82,800	46,000
Special Projects Fund	3,592	30,000
The Market Development Fund	426	355
Saskatchewan Heritage Fund	299,222	237,658
	\$ 386,041	\$ 355,142

Government of the Province of Saskatchewan

Consolidated Fund

Schedule 12

Guaranteed Debt

March 31, 1985

(\$ Thousands)

	1985	1984
Crown Corporation		
The Crown Corporations Act		
C.I.C. — Floating Rate Deb. Maturing June 15, 1985	\$ 50,000	\$ 50,000
16 5/8 Deb. Maturing August 18, 1987	15,000	15,000
The Municipal Financing Corporation Act		
Guaranteed Debentures	61,000	62,000
Potash Corporation of Saskatchewan		
Royal Trust, London Life Lease	38,000	38,000
T.D., Mutual Life, London Life Lease	47,000	—
Royal Trust Lease	30,830	—

Government of the Province of Saskatchewan Consolidated Fund

Schedule 12

Guaranteed Debt — (Concluded)

	(\$ Thousands)	
	1985	1984
Crown Corporation — (Concluded)		
The Power Corporation Act		
I.A.C. Limited — Dragline Lease	29,749	30,145
Manalta Coal**	44,004	45,000
Marubeni Corporation	11,063	—
Saskatchewan Power Savings Bond	58,036	—
The Saskatchewan Development Fund Act		
Guaranteed Investments	5,007	6,131
The Saskatchewan Mining Development Corporation Act		
Floating Rate Deb. Maturing March 1, 1985	—	65,000
Letter of Credit (U.S. Funds — maximum of \$60,000,000 U.S.)	45,235	55,679
Marubeni Corporation (U.S. Funds — maximum \$70,000,00 U.S.)	3,111	—
The Saskatchewan Oil and Gas Corporation Act		
Saskatchewan Oil Bonds	15,000	—
	453,035	366,955
Other		
The Agricultural Incentives Act		
Agricultural Incentives Loans	255	315
Agriculture Credit Corporation of Saskatchewan Operating Loans	80	52
The Agricultural Societies Act		
Loans to Exhibition Associations	1,440	1,623
The Co-operatives Guarantee Act		
Saskatchewan Co-op Credit Society — Loans to Co-operatives	3,374	2,876
The Family Farm Credit Act*		
Co-op Trust Company	339	416
The Farmer's Counselling and Assistance Act	3,666	—
The Feeder Associations Loan Guarantee Act	225	—
The Housing and Special-care Homes Act		
Senior Citizens Housing	1,634	1,634
The Industry and Commerce Development Act		
Loans to Small Business	1,306	6
The Livestock Loans Guarantee Act		
Loans to Livestock Producers	—	19
	12,319	6,941
	\$ 465,354	\$ 373,896

* At December 31

** The amount is net of \$498,000 which is Manalta's equity in the Sinking Fund administered by the Minister of Finance.

NOTE: The Province of Saskatchewan is contingently liable for interest accrued on the above items in addition to the amount shown.

Government of the Province of Saskatchewan Consolidated Fund

Schedule 13

Summary of Public Debt Transactions

March 31, 1985

(\$ Thousands)

	Balance Beginning of Year	Sold	Redeemed	Exchange Rate Adjustment**	Balance End of Year
Debentures	\$ 4,710,987	\$ 530,114	\$ 10,610	\$ 126,222	\$ 5,356,713
Treasury Bills	451,500	1,820,000	1,811,960	—	459,540
Promissory Notes	297,000	2,180,000	1,865,000	—	612,000
	\$ 5,459,487	\$ 4,530,114	\$ 3,687,570	\$ 126,222	\$ 6,428,253

**Reflects the difference in conversion values at March 31, 1984 and March 31, 1985 resulting from converting \$ U.S. debt into \$ Canadian.

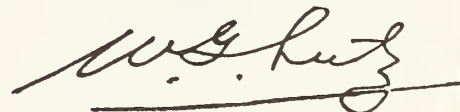
Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Heritage Fund as at March 31, 1985 and the statements of equity, revenue and expenditure, loan, investment and deposit activity, changes in financial position and cumulative provincial development expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Heritage Fund as at March 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
September 24, 1985.

A handwritten signature in dark ink, appearing to read 'W. G. Lutz', written over a horizontal line.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Saskatchewan Heritage Fund

Statement of Financial Position

March 31, 1985

(\$ Thousands)

		1985		1984	
		Research and Development Division		Total	
		Agricultural Division		Total	
		Energy Security Division		Environmental Protection Division	
		Resources Division		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total	
		Total		Total</	

(see accompanying notes)

Saskatchewan Heritage Fund

Statement of Equity

For the Year Ended March 31, 1985

(\$ Thousands)

	1985					1984
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
Unallocated Equity, Beginning of Year	\$ 1,061,632	\$ 93,949	\$ —	\$ (6,271)	\$ 51,209	\$ 1,200,519
Excess of Revenue Over Expenditure, Net of Inter-divisional Transfers						\$ 1,171,261
Deficiency Arising from the Transfer of the Assets and Liabilities from the Saskatchewan Land Bank Commission	47,353	7,329	1,490	(2,528)	3,570	57,214
Loss on Sale of Land	—	—	—	—	—	46,300
Write-down of Short-Term Investment	—	—	—	(45)	—	(13,657)
Transfer to Reserves	—	(3,657)	(1,490)	—	(1,221)	(45)
					(1,221)	—
					(5,147)	(3,381)
Unallocated Equity, End of Year	1,108,985	97,621	—	(8,844)	53,558	1,251,320
Reserves, Beginning of Year	—	31,844	4,477	—	—	1,200,519
Transfers to Reserves	—	3,657	1,490	—	—	32,940
					—	3,381
Reserves, End of Year	—	35,501	5,967	—	—	36,321
Total Equity, End of Year	\$ 1,108,985	\$ 133,122	\$ 5,967	\$ (8,844)	\$ 53,558	\$ 1,292,788
						\$ 1,236,840

(see accompanying notes)

(see accompanying notes)

(see accompanying notes)

Saskatchewan Heritage Fund

Statement of Revenue and Expenditure

For the Year Ended March 31, 1985

(\$ Thousands)

	1985				1984	
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
<i>Expenditure (Concluded)</i>						
Research Grants	—	31	—	—	—	31
Administrative Expenses of the Canada-Saskatchewan Heavy Oil Agreement, and Alternative Fuel Test Program	—	60	—	—	—	60
Total Ordinary Expenditure	778,243	25,632	—	21,467	1,469	826,811
Capital						
Provincial Development Expenditure	13,320	—	—	—	—	13,320
Total Capital Expenditure	13,320	—	—	—	—	13,320
Total Expenditure	\$ 791,563	\$ 25,632	\$ —	\$ 21,467	\$ 1,469	\$ 840,131
<i>Excess of Revenue Over Expenditure, (Expenditure over Revenue), Net of Inter-divisional Transfers</i>						
	\$ 47,353	\$ 7,329	\$ 1,490	\$ (2,528)	\$ 3,570	\$ 57,214
						\$ 46,300
(see accompanying notes)						

(see accompanying notes)

Saskatchewan Heritage Fund

Statement of Loan, Investment and Deposit Activity

For the Year Ended March 31, 1985

(\$ Thousands)

	1985				1984	
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
Receipts						
Loans						
Municipal Financing Corporation of Saskatchewan	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,000
Saskatchewan Grain Car Corporation	4,984	—	—	—	—	—
Saskatchewan Housing Corporation	—	—	—	—	—	8,000
Potash Corporation of Saskatchewan	5,000	—	—	—	—	—
Loan and Sale Agreements	—	—	—	621	—	477
Investments						
Agricultural Land and Related Assets:						
Recovery of Investment	—	—	—	2,880	—	1,811
Recovery of Principal on Land Sales	—	—	—	—	—	83
Total Receipts	9,984	—	—	3,501	—	20,371
Disbursements						
Loans						
Other Loans	—	2,938	—	—	—	—
Demand Bank Loan	—	—	—	—	—	5,000
Investments						
NewGrade Energy Inc.	—	734	—	—	—	1
Agricultural Land and Related Assets	—	—	—	577	—	68
Deposits						
Conditional Receipts	—	—	—	38	—	225
Total Disbursements	—	3,672	—	615	—	5,294
Excess of Receipts Over Disbursements						
(Disbursements Over Receipts)	\$ 9,984	\$ (3,672)	\$ —	\$ 2,886	\$ —	\$ 9,198
(see accompanying notes)						\$ 15,077

(see accompanying notes)

Saskatchewan Heritage Fund

Statement of Changes in Financial Position

For the Year Ended March 31, 1985

(\$ Thousands)

	1985				1984	
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
Cash, Short-Term Investments and Loans, and Amount Receivable from the Consolidated Fund, Beginning of Year	\$ 229,668	\$ 31,844	\$ 4,477	\$ 4,469	\$ 51,209	\$ 321,667
Revenue and Expenditure						\$ 260,290
Revenue, Net of Inter-divisional Transfers	838,916	32,961	1,490	18,939	5,039	897,345
Expenditure	791,563	25,632	—	21,467	1,469	840,131
						746,736
Excess of Revenue Over Expenditure (Expenditure Over Revenue), Net of Inter-divisional Transfers	47,353	7,329	1,490	(2,528)	3,570	57,214
Loans, Investments and Deposits						46,300
Receipts	9,984	—	—	3,501	—	13,485
Disbursements	—	3,672	—	615	—	4,287
						20,371
Excess of Receipts over Disbursements (Disbursement over Receipts)	9,984	(3,672)	—	2,886	—	5,294
Non-Cash Items						15,077
Write-down of Short-Term Investment	—	—	—	—	(1,221)	—
Increase During the Year	57,337	3,657	1,490	358	2,349	65,191
						61,377
Cash, Short-Term Investments and Loans, and Amount Receivable from the Consolidated Fund, End of Year	\$ 287,005	\$ 35,501	\$ 5,967	\$ 4,827	\$ 53,558	\$ 386,858
						\$ 321,667

(see accompanying notes)

Saskatchewan Heritage Fund

Statement of Cumulative Provincial Development Expenditure

For the Year Ended March 31, 1985

(\$ Thousands)

	1985		1984	
	Current Year Expenditure	Cumulative Year Expenditure	Current Year Expenditure	Cumulative Year Expenditure
Resource, Economic, and Industrial Development				
Beauval — Pinehouse Development Road	\$ —	\$ 4,062	\$ —	\$ 4,062
Buffalo Narrows Causeway	—	2,532	—	2,532
Buffalo Narrows Northern Development Airport	—	2,631	—	2,631
Buffalo Narrows Northern Development Airport — Facilities	—	267	—	267
Cluff Lake Development Road	—	4,813	—	4,813
Forestry Development Roads	—	1,384	—	1,384
Interprovincial Steel and Pipe Corporation Ltd. — Plant Expansion	—	2,803	—	2,803
Key Lake Development Road	—	6,436	—	6,436
La Ronge Aircraft Maintenance Facility	—	2,261	—	2,261
Northern Highway No. 2	—	784	—	784
Northern Highway No. 105	—	548	—	548
Northern Highway No. 106	—	12,586	—	12,586
Northern Highway No. 155	—	5,394	—	5,394
Resource Research Facility — Saskatoon	—	3,684	—	3,684
Total Resource, Economic, and Industrial Development	—	50,185	—	50,185
Health and Education				
Grant to the Saskatchewan Cancer Foundation	—	1,025	—	1,025
Grant to the University Hospital — Capital	—	17,614	4,000	17,614
Institute of Applied Arts and Sciences — Prince Albert	—	2,071	1,791	2,071
Provincial Laboratory Building	—	162	—	162
Saskatchewan Rehabilitation Centre	500	741	164	241
Saskatchewan Technical Institute Expansion	—	6,874	3,299	6,874
Saskatoon Hospitals Construction Program	958	1,231	79	273
University of Saskatchewan — Engineering Building Construction	100	27,525	200	27,425
University of Saskatchewan — Geological Sciences Building Construction	—	1,650	1,200	1,650
University of Saskatchewan — Veterinary College Building Expansion	—	12,540	—	12,540
Total Health and Education	1,558	71,433	10,733	69,875
Culture and Recreation				
Moose Jaw Wild Animal Park Development	—	2,519	—	2,519
Parks Facilities Development	—	2,402	—	2,402
Parks Facilities Development — Cypress Hills	417	549	50	132
Restoration of Northwest Territorial Government Administration Building	—	688	—	688
Restoration of Saskatchewan House	—	4,487	—	4,487
Saskatchewan Archives Building	—	284	—	284
1979 Western Canada Summer Games Inc. — Athletic Field House Grant	—	1,750	—	1,750
Total Culture and Recreation	417	12,679	50	12,262

Saskatchewan Heritage Fund

Statement of Cumulative Provincial Development Expenditure — (Concluded)

For the Year Ended March 31, 1985

(\$ Thousands)

	<i>1985</i>		<i>1984</i>	
	<i>Current Year Expenditure</i>	<i>Cumulative Year Expenditure</i>	<i>Current Year Expenditure</i>	<i>Cumulative Year Expenditure</i>
Municipal				
Construction of Court Houses — Regina and Saskatoon	\$ —	\$ 25	\$ —	\$ 25
Grant to the City of Lloydminster for Water Supply Project	—	9,150	3,048	9,150
Grants Under the Community Capital Fund Program	11,345	67,426	11,921	56,081
Souris River Valley Project	—	137	30	137
Total Municipal	11,345	76,738	14,999	65,393
Total Provincial Development Expenditure	\$ 13,320	\$ 211,035	\$ 25,782	\$ 197,715

(see accompanying notes)

Saskatchewan Heritage Fund

Notes to the Financial Statements

For the Year Ended March 31, 1985

1. Significant Accounting Policies

General Policies

1a. Reporting Entity

These financial statements have been prepared for the purpose of disclosing the state of the Saskatchewan Heritage Fund at March 31, 1985 and the results of its financial activities for the year then ended in accordance with the statutory authorities governing its operation.

The Saskatchewan Heritage Fund is a special purpose fund established under *The Heritage Fund (Saskatchewan) Act* to receive all non-renewable resource revenues of the Province, revenues from certain agricultural lands, interest and dividends on loans and investments made by the Fund, and any gains on disposals of investments held by the Fund.

The Fund is comprised of five divisions: The Resources Division, the Energy Security Division, the Environmental Protection Division, the Agricultural Division, and the Research and Development Division. The Agricultural Division and the Research and Development Division were created April 1, 1983 by *The Heritage Fund (Saskatchewan) Amendment Act, 1983*.

1b. Basis of Accounting

The financial statements of the Fund are prepared using a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payment is made. In addition, revenues received in the 30 days of April in respect of revenue raised up to March 31 of the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

1c. Classification of Financial Transactions

In accounting for the financial transactions, a distinction is drawn between those transactions which affect the net debt and those which affect only recorded assets and liabilities. This segregation originates from the net debt concept. The net debt of the Heritage Fund is the difference between recorded liabilities minus assets and represents the difference between accumulated revenues and accumulated expenditures. Since revenues and expenditures only affect the net debt, transactions which arise from the financing activities (lending and investing) will affect recorded assets and liabilities. Accordingly, transactions are recorded within two categories in the Heritage Fund: Revenue and Expenditure and, Lending and Investing.

• Revenue and Expenditure

Revenue and expenditure relate to normal operating activities.

• Revenue

Revenue includes revenues raised through taxation and royalties from non-renewable resources, income from investments, lease revenues and accounting gains on the sale of certain agricultural lands.

• Expenditure

Expenditure includes payments for goods and services, grants, the acquisition or construction of fixed assets, and dividends paid to the Consolidated Fund.

• Lending and Investing

These transactions result from lending and investing functions which include the Heritage Fund's lending and investing activity in various Crown Corporations and agencies, other organizations and individuals, in Agricultural Land and Related Assets acquired for resale.

• Assets and Liabilities

In general terms assets of the Fund consist of cash and short-term investments, loans to or investments in crown entities and other organizations and individuals, and investment in Agricultural Land and Related Assets. Capital assets are treated as an expenditure in the year of purchase.

Liabilities consist of a loan from the Consolidated Fund.

Specific Policies

1d. Cash and Short-Term Investments

• Cash

Cash recorded is the balance on hand at March 31, adjusted for transactions during the 30 days following the end of the fiscal year relating to the reporting fiscal year.

• Short-Term Investments

Short-term investments represent those investments purchased under authority of *The Heritage Fund (Saskatchewan) Act*. These investments consist mainly of chartered bank notes, treasury bills, commercial paper and bonds maturing within one year.

Short-term investments are carried at cost. Any gain (loss) on disposal of short-term investments is recorded as revenue (expenditure).

1e. Short-Term Loans to Crown Entities

These represent interest bearing loans made for a period of less than one year. Short-term loans are valued at cost.

1f. Amount Receivable From the Consolidated Fund

This represents the balance of all cash transactions as held by the Consolidated Fund on behalf of the Heritage Fund, except for cash received from interest and dividends which is deposited directly into the Heritage Fund. No interest accrues on this balance.

Saskatchewan Heritage Fund

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies
— (Concluded)

Specific Policies — (Concluded)

1g. Loans to Crown Entities

These are loans made for a period of greater than one year to crown corporations, boards and commissions and generally have fixed terms of repayment. With the exception of the Saskatchewan Grain Car Corporation, the loans are all interest bearing.

Loans are valued at cost. In cases where the liabilities of a crown entity significantly exceed the estimated realizable value of its assets and the accumulated deficit is not funded by an appropriation, the loan will be written down. All write-downs are charged directly to equity.

1h. Loan and Sale Agreements

Loan and Sale Agreements represent loans to lessees, and amounts due on Sale Agreements for the sale of Agricultural Land and Related Assets less the unrealized gain in accordance with the accounting policy which provides that gains are included in revenue but are only recorded when cash is received. At March 31, 1985, long-term sale agreements outstanding total \$985,000. Of this amount, \$162,000 reflects the cost of land sold and is included in Loan and Sale Agreements. The balance of \$823,000 represents the unrealized gain on the sales and will be recorded as cash is received.

1i. Other Loans

Other loans are those made to nongovernment agencies or individuals and are subject to a variety of interest rates and terms of repayment.

Other loans are carried at cost and will be revalued when it becomes evident that they are uncollectible. All write-downs are charged directly to equity.

Interest received from these loans is recorded as revenue.

1j. Investments in Crown Entities

Investments in crown entities represent long-term equity advances which are non-interest bearing and have no fixed terms of repayment.

Investments are valued at original cost. Revaluation of the investment will occur when the liabilities of the crown entity significantly exceed the net realizable value of its assets and the accumulated deficit is not funded by appropriation. Any write-downs reducing the carrying value of the investment are charged directly to equity.

Revenues from the investments (dividends) are recorded as revenue.

1k. Investment in Agricultural Land and Related Assets

The Heritage Fund (Saskatchewan) Amendment Act, 1983 transferred the assets and liabilities of the former Saskatchewan Land Bank Commission to the Agricultural Division of the Saskatchewan Heritage Fund effective April 1, 1983. Investment in Agricultural Land and Related Assets represents the cost of land and improvements held for resale.

Sales of these lands and improvements are recorded as a recovery of investment in amounts equal to the cost and any gains are recorded as revenue when received. Where the sale involves a long-term sales agreement, the amount equal to the cost of the investment sold is recorded as an asset; any amount due in respect of a gain on the sale is recorded as revenue only upon collection. Any loss on the sale of these lands and improvements is charged directly to equity.

1l. Investments in Other Enterprises

Investments in other enterprises represent shareholdings in nongovernment enterprises. These investments are carried at cost.

The investments will be revalued when it becomes evident that there has been a permanent reduction in the value of the investment.

Any write-down of an investment is charged directly to equity.

1m. Loan from the Consolidated Fund

This represents a long-term obligation to the Consolidated Fund in respect of an interest bearing loan previously due from the Saskatchewan Land Bank Commission. Pursuant to provisions of The Farm Purchase Program Act the Farm Purchase Program Fund is authorized to receive the lease revenues on the land formerly owned by the Saskatchewan Land Bank Commission and in turn, to pay the interest on the loan from the Consolidated Fund. Accordingly, \$19,927,664 was paid by the Farm Purchase Program Fund to the Consolidated Fund in 1984-85 as interest expense on the outstanding loan. Pursuant to provisions of The Heritage Fund (Saskatchewan) Amendment Act, 1983, and as provided by appropriation, a payment of \$8,183,000 was made from the Saskatchewan Heritage Fund to the Farm Purchase Program Fund to cover the deficiency of the lease fees in meeting the interest costs.

Saskatchewan Heritage Fund

Notes to the Financial Statements — (Concluded)

2. Additional Information

2a. Equity

Equity of the Fund consists of two components: unallocated equity and reserve accounts. The reserve accounts were established pursuant to Treasury Board Directive as authorized by section 14 of The Heritage Fund (Saskatchewan) Act. Within the Energy Security Division, an Energy Security Reserve has been created for the purpose of funding the future development of energy resources. Within the Environmental Protection Division an Environmental Protection Reserve has been created to provide for contingency funding to mitigate unforeseen environmental problems related to uranium milling.

2b. Fund dividend to the Consolidated Fund

An annual appropriation in the Saskatchewan Heritage Fund provides for fund dividends to the Consolidated Fund. Payments are made upon the direction of the Minister of Finance.

2c. Overcommitments

The Saskatchewan Heritage Fund uses the modified cash basis of accounting. Under this method, accounts receivable or payable are not recorded.

There is a legislative requirement that no liability shall be incurred which exceeds the unencumbered balance of an appropriation.

At March 31, 1985 an appropriation of the Department of Energy and Mines was overcommitted by an amount of \$25,449,315. The overcommitment relates primarily to an indebtedness in an estimated amount of \$26,000,000 respecting grants under The Oil and Gas Incentives Regulations 1978. Under The Oil and Gas Incentives Regulations 1978, expenditures on oil and gas exploration and development within the Province may be cost shared by the Provincial Government. Eligibility is conditional upon the production of oil within the Province. At March 31, 1985, such expenditures on oil and gas exploration and development, as approved, when combined with the production of oil as reported, calculates to the indebtedness noted. Such amounts are subject to adjustment upon final approval and payment.

2d. Comparative Information

Certain of the 1984 figures have been reclassified to conform with the current year presentation.

Saskatchewan Heritage Fund

Schedule 1

Cash and Short-Term Investments

March 31, 1985

	(\$ Thousands)	
	1985	1984
Cash (Overdraft)		
Energy Security Division	\$ 4	\$ 1
Environmental Protection Division	25	6
Research and Development Division	(495)	9
	(466)	16
Short-Term Investments		
Energy Security Division	13,497	12,043
Environmental Protection Division	5,942	4,471
Research and Development Division	37,487	40,479
	56,926	56,993
	\$ 56,460	\$ 57,009

The market value of the Short-Term Investments at March 31, 1985 is \$56,429,000 (March 31, 1984 \$55,919,000).

Saskatchewan Heritage Fund

Schedule 2

Short-Term Loans to Crown Entities

March 31, 1985

	(\$ Thousands)	
	1985	1984
Energy Security Division		
Crown Investments Corporation of Saskatchewan	\$ 4,000	\$ —
Municipal Financing Corporation of Saskatchewan	18,000	18,500
Saskatchewan Development Fund	—	1,300
	22,000	19,800
Research and Development Division		
Crown Investments Corporation of Saskatchewan	7,000	—
Municipal Financing Corporation of Saskatchewan	—	7,200
Saskatchewan Government Printing Company	2,176	—
	9,176	7,200
	\$ 31,176	\$ 27,000

Saskatchewan Heritage Fund**Schedule 3****Loans to Crown Entities**

March 31, 1985

	(\$ Thousands)	
	1985	1984
	<i>Ending Balance</i>	<i>Ending Balance</i>
Resources Division		
Potash Corporation of Saskatchewan	\$ 28,400	\$ 33,400
Saskatchewan Grain Car Corporation	46,350	51,333
	74,750	84,733
Energy Security Division		
Saskatchewan Power Corporation	2,448	2,448
	\$ 77,198	\$ 87,181

Saskatchewan Heritage Fund**Schedule 4****Other Loans**

March 31, 1985

	(\$ Thousands)	
	1985	1984
Energy Security Division		
NewGrade Energy Inc.	\$ 2,938	\$ —
	\$ 2,938	\$ —

Saskatchewan Heritage Fund***Schedule 5******Investment in Crown Entities****March 31, 1985*

(\$ Thousands)

	1985	1984
Resources Division		
Crown Investments Corporation of Saskatchewan	\$ 109,976	\$ 109,976
Potash Corporation of Saskatchewan	418,554	418,554
Saskatchewan Mining Development Corporation	218,700	218,700
	747,230	747,230
Energy Security Division		
Saskatchewan Oil and Gas Corporation	91,500	91,500
	\$ 838,730	\$ 838,730

Saskatchewan Heritage Fund***Schedule 6******Investments in Other Enterprises****March 31, 1985*

(\$ Thousands)

	1985	1984
Energy Security Division		
NewGrade Energy Inc.	\$ 735	\$ 1
	\$ 735	\$ 1

Table of Contents — Part B

Page

Additional Information

Details of Public Debt Outstanding	64
Interest on Public Debt	70
Summary of Sinking Funds	71
Summary of Loan, Investment and Deposit Activity	72

Details of Public Debt Outstanding

Public Issue Debentures

March 31, 1985

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1984-85
June 2/80	June 2/85	11 1/4	June 2 & Dec. 2	Any Branch of the Royal Bank in Canada	Can.	Crown Invest. Corp.	\$ 50,000,000	\$ 50,000,000	.....	\$ .....
(Non Callable)										
July 15/84	July 15/85	5 1/2	July 15 & Jan. 15	R.W.T.M. St. J.V.E.H.	Can.	Sask. Power	2,607,500			
(Callable in whole but not in part on any interest payment date on or after July 15, 1983)										
Nov. 1/77	Nov. 1/85	8 1/2	May 1 & Nov. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask. Tel	2,607,500	5,215,000	4,651,195	300,000
						Sask. Oil & Gas	25,000,000			
						Sedco	23,500,000			
						Crown Invest. Corp.	1,500,000	50,000,000	.....	.....
(Non Callable)										
Dec. 1/64	Dec. 1/85	5 1/2	Dec. 1 & June 1	R.W.T.M. St. J.V.E.H.	Can.	Sask. Power	3,457,000			
(Callable in whole but not in part on any interest payment date on or after December 1, 1983)										
April 1/81	April 1/86	13.375	April 1 & Oct. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask. Tel	5,185,500	8,642,500	9,100,186	450,000
						Sask. Power	75,000,000			
						Sask. Tel	75,000,000	150,000,000	.....	.....
(Non Callable — Extendible at the option of the holder to April 1, 1996, such option to be exercised between April 1, 1985 and October 1, 1985)										
June 15/61	June 15/86	5 1/2	June 15 & Dec. 15	R.W.T.M. St. J.V.E.	Can.	Highways	2,650,000	2,650,000	5,949,717	150,000
(Callable in whole but not in part on any interest payment date on or after June 15, 1984)										
July 22/81	July 22/86	15.6	July 22 & Jan. 22	London, England	Can.	Crown Invest. Corp.	100,000,000	100,000,000	.....	.....
(To be redeemed \$30,000,000.00 July 22/86, \$30,000,000.00 July 22/87 and \$40,000,000.00 July 22/88. Callable in whole but not in part on any interest payment date as follows: prior to July 22/84 @ 102.5%, 12 month period beginning July 22: 1984 - 102%, 1985 - 101.5%, 1986 - 101%, 1987 - 100.5%)										
Sept. 1/76	Sept. 1/86	8%	Sept. 1	N.Y.	U.S.	Sask. Power	75,000,000	** 75,000,000	.....	.....
(Callable in whole or in part on or after September 1, 1982)										
Oct. 1/66	Oct. 1/86	6 1/4	Oct. 1 & Apr. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask. Power	8,925,500	8,925,500	6,831,827	450,000
(Callable in whole but not in part on any interest payment date on or after October 1, 1984)										
Feb. 24/82	Feb. 24/87-89	16%	Feb. 24 & Aug. 24	London, England	Can.	Sask. Power	100,000,000	100,000,000	.....	.....
(To be redeemed \$20,000,000.00 Feb. 24/87, \$20,000,000.00 Feb. 24/88, \$60,000,000.00 Feb. 24/89.) (Callable in whole but not in part on any interest payment date as follows: Prior to Feb. 24/85 @ 102.5%, 12 month period beginning Feb 24/85 — 102%, 1986 — 101.5%, 1987 — 101%, 1988 — 100.5%)										
Mar. 1/67	Mar. 1/87	6	Mar. 1 & Sept. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask. Power	5,855,333	8,783,000	6,413,847	263,490
						Sask. Tel	2,927,667			
(Callable in whole but not in part on any interest payment date on or after March 1, 1985)										
Oct. 2/78	Oct. 2/87	9 1/4	Apr. 2 & Oct. 2	Any Canadian Branch of the Royal Bank of Canada	Can.	Crown Invest. Corp.	75,000,000	75,000,000	.....	.....
(Non Callable)										
Nov. 24/67-Apr. 18/68	Nov. 15/87	7	Nov. 15 & May 15	R	Can.	Highways	5,450,000	5,450,000	5,359,102	195,000
(Interdepartmental Non Callable)										
Dec. 30/82	Dec. 30/87	11.75	June 30 Dec. 30	London, N.Y.	Can.	Crown Invest. Corp.	75,000,000	75,000,000	.....	.....
(Non Callable)										
Apr. 5/82	Mar. 1/88	15.375	Mar. 1	Zurich	U.S.	SMDC	77,662,684	77,662,684	.....	.....
(The original issue of \$150,000,000 7 3/8% Swiss Franc debentures converted by forward contract to \$77,662,684 U.S.)										

Aug. 15/68	Aug. 15/88	7 1/4	Feb. 15 & Aug. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask. Power	11,025,500	11,025,500	7,618,512	450,000
(Callable in whole but not in part on any interest payment date on or after August 15, 1986)										
Oct. 12/83	Oct. 12/88	11 1/2	Apr. 12 & Oct. 12	R.W.T.M. St. J.V.E.	Can.	Province	125,000,000	125,000,000		
Nov. 15/81	Nov. 15/88	16 1/4	Nov. 15	N.Y., Brussels, Frankfurt/Main, London, Luxembourg, Paris, Zurich	U.S.	Sask. Mining	100,000,000	**100,000,000		
(Callable in whole or in part on or after November 15, 1987)										
Dec. 2/83	Dec. 21/88	10%	June 21 Dec. 21	R.W.T.M. St. J.V.E.	Can.	Potash Corp. Crown Invest. Corp.	80,000,000 20,000,000	100,000,000		
(Non Callable)										
Feb. 15/69	Feb. 15/89	7 5/8	Feb. 15 & Aug. 15	N.Y.	U.S.	Sask. Power	11,300,000	**11,300,000	7,972,648	339,000
(Callable in whole or in part by lot on February 15, 1984 or any subsequent dates at the following rates: 101% between February 15, 1984 and February 14, 1985; 100% between February 15, 1985 and February 14, 1986; 100 1/2% between February 15, 1986 and February 14, 1987; 100 1/4% between February 15, 1987 and February 14, 1988; and par between February 15, 1988 and February 15, 1989)										
Mar. 15/82	Mar. 15/89	16	Mar. 15	N.Y., Brussels, Frankfurt/Main, London, Luxembourg, Paris, Zurich	U.S.	Sask. Mining Potash Corp. of Sask.	50,000,000 75,000,000	**125,000,000		
(Non Callable)										
Sept. 12/84	Sept. 12/89	12 1/4	Mar. 12 & Sept. 12	Any Canadian Branch of the Royal Bank of Canada	Can.	Province	100,000,000	100,000,000		
(Non Callable)										
Nov. 15/84	Nov. 15/89	11 7/8	Nov. 15	N.Y., Brussels, Frankfurt/Main, London, Luxembourg, Paris, Geneva	U.S.	SMDC Province	60,000,000 *53,200,000	**113,200,000		
The original issue of 40,000,000 11 7/8% U.S. Dollar debentures converted by forward contract to \$53,200,000 Canadian. (Non-Callable)										
Mar. 22/83	Mar. 15/90	10%	Mar. 15	N.Y.	U.S.	SMDC Potash Corp. of Sask.	75,000,000 50,000,000	**125,000,000		
(Non Callable)										
Mar. 28/85	Mar. 28/90	9.529	Mar. 28 & Sept. 28	Toronto	Can.	MFC Province	28,013,536 28,013,537	*56,027,073		
*The original issue of 10,000,000,000, 7.4% Yen debentures, with semi-annual interest payments, converted by forward contract to \$56,027,073 Canadian, with annual interest payments and an effective interest rate of 9.53%. (Non Callable)										
Oct. 1/65	Oct. 1/90	4 7/8	Oct. 1 & Apr. 1	N.Y.	U.S.	Sask. Power Sask. Tel.	2,950,000 5,900,000	**8,850,000	9,045,104	450,000
(Callable in whole or in part by lot on any date on or after October 1, 1975)										
Dec. 1/70	Dec. 1/90	8%	Dec. 1 & June 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask. Power	15,000,000	15,000,000		300,000
(Callable in whole but not in part on any interest payment date on or after December 1, 1987)										
July 1/61	July 1/91	5%	July 1 & Jan. 1	R.W.T.M. St. J.V.E.H.	Can.	Sask. Power	2,450,000	2,450,000	4,966,634	120,000
(Callable in whole but not in part on any interest payment date on or after July 1, 1989)										
Oct. 1/81	Oct. 1/91	16.375	Oct. 1 & April 1	N.Y.	U.S.	Sask. Power Sask. Tel.	150,000,000 50,000,000	**200,000,000		
(Non Callable)										
Mar. 1/85	Mar. 1/92	11.26	Mar. 1	N.Y., Brussels, Frankfurt/Main, London, Luxembourg, Paris, Zurich	Can.	Munic. Financ. Corp. Province	26,710,000 106,840,000	*133,550,000		
*The original issue of 100,000,000, 10 1/4% U.S. dollar debentures converted by forward contract to \$133,550,000 Canadian (Non Callable)										
June 30/82	June 30/92	15.625	June 30	Zurich	U.S.	Sask Power	46,452,384	**46,452,384		
*The original issue of 100,000,000 15 5/8% Swiss Franc debentures converted by forward contract to \$46,452,384 U.S. Callable in whole but not in part on June 30, 1984 or any subsequent dates at the following rates: 102% on June 30, 1984; 101.5% on June 30, 1985; 101% on June 30, 1986; 100.5% on June 30, 1987; 100% on June 30, 1988 and thereafter.										
Aug. 25/82	Aug. 15/92	15	Aug. 15	N.Y.	U.S.	Potash Corp. of Sask. Sask. Power	50,000,000 100,000,000	**150,000,000		
(Non Callable)										
Apr. 1/63	Apr. 1/93	5 1/4	Apr. 1 & Oct. 1	Bank of Montreal in H. St. J., M., T., W., R., S., E. & V.	Can.	Province	4,000,000	4,000,000		60,000
(Non Callable)										

Public Issue Debentures — (Concluded)

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1984-85
Jan. 15/64	Jan. 15/94	5½	Jan. 15 & July 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask. Power	3,769,000	3,769,000	2,268,035	87,500
(Callable in whole but not in part on any interest payment date on or after January 15, 1991)										
Oct. 1/65	Oct. 1/95	5½	Oct. 1 Apr. 1	Bank of Montreal in H., St. J., M., T., W., R., S., E. & Van.	Can.	Province	4,000,000	4,000,000	(2)	60,000
(Callable in whole but not in part on or after October 1, 1983)										
Feb. 15/73	Feb. 15/98	7¾	Feb. 15 & Aug. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask. Power Sask. Tel	25,000,000 5,000,000	30,000,000	(1)	450,000
(Callable in whole but not in part on any interest payment date on or after February 15, 1993)										
Dec. 3/73	Dec. 3/98	8¼	Dec. 3 & June 3	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask. Power Sask. Tel	15,000,000 15,000,000	30,000,000	(1)	300,000
(Callable in whole but not in part on any interest payment date on or after December 3, 1993)										
Dec. 2/74	Dec. 2/99	10	June 2 & Dec. 2	Any Branch in Canada of the Royal Bank	Can.	Sask. Power Sask. Tel	20,000,000 25,000,000	45,000,000	(1)	450,000
(Callable in whole but not in part on any interest payment date on or after December 2, 1994)										
June 2/80	June 2/00	11¾	June 2 & Dec. 2	Any Branch of the Royal Bank in Canada	Can.	Sask. Power Sask. Tel	50,000,000 25,000,000	75,000,000	(1)	750,000
(Callable in whole but not in part on any interest payment date on or after June 2, 1997)										
Nov. 3/75	Nov. 3/00	9 7/8	Nov. 3 & May 3	Any Branch in Canada of the Royal Bank	Can.	Sask. Power Sask. Tel	2,962,857 2,222,143	5,185,000	(1)	700,000
(Callable in whole but not in part on any interest payment date on or after November 3, 1995)										
Apr. 1/76	Apr. 1/01	10¼	Apr. 1 & Oct. 1	Any Branch of the Royal Bank of Canada	Can.	Sask. Power Sask. Tel	50,000,000 25,000,000	75,000,000	(1)	750,000
(Callable April 1, 1996 in whole or on any interest payment date thereafter)										
Feb. 1/77	Feb. 1/02	9	Feb. 1 & Aug. 1	Any Branch of the Royal Bank of Canada	Can.	Sask. Power Sask. Tel	50,000,000 25,000,000	75,000,000	(1)	750,000
(Callable February 1, 1997 or on any interest payment date thereafter in whole but not in part)										
Dec. 1/82	Dec. 1/02	13	June 1 Dec. 1	Any Branch of the Royal Bank of Canada	Can.	Sask. Tel Sask. Power	75,000,000 75,000,000	150,000,000	(1)	1,500,000
(Callable in whole but not in part on any interest payment date on or after Dec. 1/2000)										
Dec. 21/83	Mar. 30/03	12¼	Mar. 30 & Sept. 30	Any branch of the Royal Bank of Canada	Can.	Sask. Power	125,000,000	125,000,000	(1)	1,250,000
(Callable in whole but not in part on any interest payment date on or after March 30/2001)										
Mar. 30/83	Mar. 30/03	12¼	Mar. 30 & Sept. 30	Any branch of the Royal Bank of Canada	Can.	Sask. Power Sask. Tel	125,000,000 25,000,000	150,000,000	(1)	1,500,000
(Callable in whole but not in part on any interest payment date on or after March 30, 2001)										
June 15/78	June 15/03	9½	June 15 & Dec. 15	Any Branch of the Royal Bank of Canada	Can.	Sask. Power Sask. Tel	45,000,000 30,000,000	75,000,000	(1)	750,000
(Callable as a whole on June 15, 1998 or on any interest payment date thereafter)										

May 15/79	May 15/04	10	May 15 & Nov. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask. Power Sask. Tel	60,000,000 40,000,000	100,000,000	(1)	1,000,000
(Callable in whole but not in part on May 15, 1999 or on any interest payment date thereafter)										
Nov. 15/76	Nov. 15/06	8/70	Nov. 15 & May 15	N.Y.	U.S.	Sask. Power	75,000,000			
(Callable November 15, 1991 in whole or in part by lot thereafter)										
May 15/77	May 15/07	85/8	May 15 & Nov. 15	N.Y.	U.S.	Sask. Tel	50,000,000	**125,000,000	(1)	1,250,000
(Callable in whole or in part on May 15, 1992 or on subsequent dates)										
Mar. 2/83	Mar. 1/08	9	Mar. 1	London, Toronto	Can.	Sask. Power	50,000,000	**125,000,000	(1)	1,250,000
(Non Callable)										
Apr. 15/78	Apr. 15/08	9 1/4	Apr. 15 & Oct. 15	Royal Bank of Canada Trust Co.	U.S.	Sask. Power	75,000,000	**125,000,000	(1)	1,250,000
(Callable in whole or in part on April 15, 1993 or on subsequent dates)										
Dec. 1/65	Dec. 1/15	5 1/8	June 1 & Dec. 1	Ottawa	Can.	Province*	2,360,386	2,360,386		
(Payable in blended semi-annual payments of principal and interest totalling \$76,399.60. Prepayable in whole or in part any time prior to December 1/2015, without penalty)										
**Adjustment to reflect conversion of debentures quoted in U.S. dollars to Canadian dollars using the exchange rate in effect at March 31, 1985 (\$1.3825).										
518,008,000										
Total Public Issue Debentures Outstanding										
as at March 31, 1985										
Sinking Fund Equity as Listed										
(1) General Sinking Fund # 1 Equity										
(2) General Sinking Fund # 2 Equity										
Total Sinking Fund Equity as at March 31, 1985										
70,176,807										
124,557,561										
6,019,283										
\$ 200,753,651										
Sinking Fund Contributions as listed										
Plus Sinking Fund Contributions made in 1984-85 on Matured Debentures:										
5% September 15, 1984										
Total Sinking Fund Contributions 1984-85 Fiscal Year										
17,574,990										
\$ 450,000										
\$ 18,024,990										

(1) The Sinking Fund pertaining to these issues has been combined into the Province of Saskatchewan General Sinking Fund #1.

(2) The Sinking Fund pertaining to these issues (originally University of Saskatchewan debt) has been combined into the General Sinking Fund #2.

Explanatory Note

R.-Regina; W.-Winnipeg; T.-Toronto; M.-Montreal; St.J.-Saint John, N.B.; V.-Vancouver; E.-Edmonton;
H.-Halifax; C.-Calgary;
O.-Ottawa; N.Y.-New York.

All issues payable in Canada, redeemable at any branch of the Royal Bank of Canada in Canada.

Other Debentures Outstanding

March 31, 1985

	Range of Maturity	Range of Interest Rates	Total	Equity in Sinking Funds
Municipal Development Loan Fund Debentures	1985-2008	5¼ - 5 5/8	\$ 1,935,604	\$ —
Canada Pension Plan Debentures	1986-2005	5.29-17.51	1,240,101,000	152,451,784
Debentures Issued Under the Authority of the Federal-Provincial Employment Program	1993	6.67-7.23	814,760	—
Agricultural Services Centres Agreements	1995-2004	Various	6,355,454	—
Total Other Debentures			1,249,206,818	152,451,784
Total Public Issue Debentures			4,107,506,027	200,753,651
			\$ 5,356,712,845	\$ 353,205,435

Summary of Public Debt Transactions

March 31, 1985

(\$ Thousands)

	Balance Beginning of Year	Sold	Redeemed	Exchange Rate Adjustment**	Balance End of Year
Debentures					
Public Issues	\$ 3,565,232	\$ 425,728	\$ 9,676	\$ 126,222	\$ 4,107,506
Canada Pension Plan	1,135,827	104,274	—	—	1,240,101
Agriculture Services Centres Agreement	6,542	112	298	—	6,356
Municipal Development Loan Fund	2,508	—	573	—	1,935
Federal/Provincial Employment Program	878	—	63	—	815
	4,710,987	530,114	10,610	126,222	5,356,713
Treasury Bills					
1266	445,000	1,820,000	1,810,000	—	455,000
1276	1,960	—	1,960	—	—
1280	2,140	—	—	—	2,140
1282	2,400	—	—	—	2,400
	451,500	1,820,000	1,811,960	—	459,540
Promissory Notes					
P.N.D.	297,000	2,180,000	1,865,000	—	612,000
	\$ 5,459,487	\$ 4,530,114	\$ 3,687,570	\$ 126,222	\$ 6,428,253

**Reflects the difference in conversion values at March 31, 1984, and March 31, 1985 resulting from converting \$ U.S. debt into \$ Canadian.

Debt Redemption

March 31, 1985

Consolidated Fund

(\$ Thousands)

Finance

Statutory Appropriation		Payments	\$ 3,687,570
Estimate	\$12,116		
Debentures			\$ 10,610
Treasury Bills			1,811,960
Promissory Notes			1,865,000
			\$ 3,687,570

Promissory Notes Outstanding

March 31, 1985

<i>Date of Issue</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Amount of Original Issue</i>	<i>Amount Outstanding</i>
Jan. 31, 1985	Apr. 4, 1985	9.59	\$ 3,500,000	\$ 3,500,000
Mar. 7, 1985	Apr. 4, 1985	11.04	10,000,000	10,000,000
Jan. 31, 1985	Apr. 8, 1985	9.59	3,500,000	3,500,000
Mar. 7, 1985	Apr. 8, 1985	11.12	7,500,000	7,500,000
Mar. 7, 1985	Apr. 8, 1985	11.05	15,000,000	15,000,000
Mar. 28, 1985	Apr. 8, 1985	10.45	5,000,000	5,000,000
Mar. 29, 1985	Apr. 8, 1985	10.25	4,000,000	4,000,000
Feb. 15, 1985	Apr. 11, 1985	9.97	15,000,000	15,000,000
Mar. 29, 1985	Apr. 15, 1985	10.25	50,000,000	50,000,000
Feb. 14, 1985	Apr. 16, 1985	9.97	25,000,000	25,000,000
Jan. 10, 1985	Apr. 18, 1985	9.57	30,000,000	30,000,000
Feb. 22, 1985	Apr. 24, 1985	10.30	5,000,000	5,000,000
Feb. 19, 1985	Apr. 25, 1985	10.00	10,000,000	10,000,000
Feb. 20, 1985	Apr. 25, 1985	10.20	13,000,000	13,000,000
Mar. 4, 1985	May 1, 1985	11.25	5,000,000	5,000,000
Mar. 28, 1985	May 1, 1985	10.60	8,000,000	8,000,000
Mar. 4, 1985	May 6, 1985	11.25	5,000,000	5,000,000
Mar. 7, 1985	May 6, 1985	11.40	7,500,000	7,500,000
Mar. 12, 1985	May 6, 1985	11.17	30,000,000	30,000,000
Mar. 14, 1985	May 13, 1985	11.15	10,000,000	10,000,000
Mar. 14, 1985	May 15, 1985	11.16	10,000,000	10,000,000
Mar. 4, 1985	June 3, 1985	11.54	10,000,000	10,000,000
Mar. 7, 1985	June 5, 1985	11.58	10,000,000	10,000,000
Mar. 13, 1985	June 10, 1985	11.43	20,000,000	20,000,000
Oct. 12, 1983	Sept. 12, 1986	10.50	100,000,000	100,000,000
Nov. 1, 1984	Oct. 31, 1986	11.70	10,000,000	10,000,000
Nov. 1, 1984	Oct. 31, 1986	11.75	10,000,000	10,000,000
Nov. 1, 1984	Oct. 31, 1986	11.76	30,000,000	30,000,000
Nov. 1, 1984	Oct. 31, 1986	11.75	50,000,000	50,000,000
Jan. 15, 1985	Jan. 15, 1987	10.00	75,000,000	75,000,000
Jan. 15, 1985	Jan. 15, 1987	9.96	25,000,000	25,000,000
				\$ 612,000,000

Promissory Notes are issued to cover temporary insufficiencies of the Consolidated Fund and for funding short-term advances to Crown Entities.

Treasury Bills Outstanding

March 31, 1985

<i>Rate</i>	<i>Series</i>	<i>Maturing</i>	<i>Amount Outstanding</i>
Non-Interest Bearing	1266	\$35,000,000 weekly	\$ 455,000,000
5½%	1280	December 31, 1985	2,140,000
5 7/8%	1282	December 31, 1986	2,400,000
			\$ 459,540,000

Note:

Treasury Bills Series 1266 represent funds initially used to finance highway construction and other capital expenditures and to cover temporary insufficiencies of the Consolidated Fund. These Bills were issued at various discount rates.

Treasury Bills Series 1280 and 1282 represent loans from the Government of Canada to finance 50% of the Province's share of the cost of the South Saskatchewan River Development Project (Saskatchewan Power Corporation).

Interest on Public Debt — Province's and Crown Entities' Share

March 31, 1985

(\$ Thousands)

	Public Debt Debentures	C.P.P. Investment Fund Debentures	Other Debentures	Promissory Notes	Treasury Bills	Interest Charges	Total
Crown Entities							
Saskatchewan Power Corporation	\$ 189,709	\$ 25,688	\$ —	\$ 1,453	\$ 362	\$ —	\$ 217,212
Saskatchewan Telecommunications	70,680	8,358	—	129	—	—	79,167
University of Saskatchewan	—	159	—	—	—	—	159
Saskatchewan Water Corporation	—	962	—	—	—	—	962
Saskatchewan Economic Development Corporation	1,998	2,130	—	171	—	—	4,299
Saskatchewan Heritage Fund	—	19,928	—	—	—	—	19,928
Agricultural Credit Corporation of Saskatchewan	—	20,224	—	—	—	—	20,224
Saskatchewan Housing Corporation	—	36,846	—	—	—	—	36,846
Saskatchewan Oil and Gas Corporation	2,125	—	—	—	—	—	2,125
Potash Corporation of Saskatchewan	33,475	—	—	1,267	—	—	34,742
Crown Investments Corporation of Saskatchewan	39,253	8,012	—	11,969	—	—	59,234
Agricultural Development Corporation of Saskatchewan	—	—	—	128	—	—	128
Saskatchewan Development Fund Corporation	—	—	—	21	—	—	21
Saskatchewan Government Printing Company	—	—	—	224	—	—	224
Saskatchewan Mining Development Corporation	44,252	—	—	508	—	—	44,760
Municipal Financing Corporation of Saskatchewan	—	—	—	3,874	—	—	3,874
Farm Purchase Program	—	—	—	189	—	—	189
Municipal Development and Loan Act Interest	—	—	135	—	—	—	135
Federal/Provincial Employment Loans Interest	—	—	62	—	—	—	62
Province's Share	21,587	730	130	21,462	49,504	9,057	102,470
	\$ 403,079	\$ 123,037	\$ 327	\$ 41,395	\$ 49,866	\$ 9,057	\$ 626,761

Summary of Sinking Funds

March 31, 1985

Sinking Fund	Cash Balance	Investments at Amortized Cost	Interest Accrued	Total	Province	Sask Tel	Sask. Power	Sask Water Supply Board	Portion Applicable to	
									University of Sask.	Manalta
General Sinking Fund	\$2,817,935.66	\$118,012,747.78	\$3,726,877.38	\$124,557,560.82	\$	\$42,233,607.76	\$82,323,953.06	\$	\$	\$
General Sinking Fund #2	5,002.39	6,014,280.85	—	6,019,283.24	6,019,283.24	—	—	—	—	—
5 1/2% July 15/85	928.42	4,576,472.21	73,794.80	4,651,195.43	—	2,325,598.27	2,325,597.16	—	—	—
5 1/2% Dec. 1/85	4,133.29	8,896,713.54	199,339.37	9,100,186.20	—	5,460,111.72	3,640,074.48	—	—	—
5 1/2% June 15/86	1,333.39	5,831,652.80	116,731.25	5,949,717.44	5,949,717.44	—	—	—	—	—
6 1/4% Oct. 1/86	14,358.20	6,694,252.22	123,216.68	6,831,827.10	—	—	6,831,827.10	—	—	—
6% Mar. 1/87	1,454.68	6,333,678.72	78,713.75	6,413,847.15	—	2,137,949.07	4,275,898.08	—	—	—
7% Nov. 15/87	1,561.58	5,215,285.32	142,254.79	5,359,101.69	5,359,101.69	—	—	—	—	—
7 1/4% Aug. 15/88	1,599.99	7,470,620.23	146,291.46	7,618,511.68	—	—	7,618,511.68	—	—	—
7 5/8% Feb. 15/89	834.21	7,747,065.34	224,748.05	7,972,647.60	—	—	7,972,647.60	—	—	—
4 7/8% Oct. 1/90	1,623.01	8,780,420.65	263,060.46	9,045,104.12	—	6,030,069.42	3,015,034.70	—	—	—
5 3/4% July 1/91	22,945.50	4,842,151.51	101,537.19	4,966,634.20	—	—	4,966,634.20	—	—	—
5 1/2% Jan. 15/94	24,371.40	2,200,547.44	43,115.62	2,268,034.46	—	—	2,268,034.46	—	—	—
Canada Pension Plan										
5.45% Nov. 1/86-87	39,795.22	23,735,024.88	661,943.55	24,436,763.65	3,350,216.76	8,787,004.93	12,299,541.96	—	—	—
5.85% Nov. 1/87-88	28,625.20	23,640,595.61	546,194.80	24,215,415.61	7,694,989.82	638,771.55	8,068,986.28	7,812,667.96	—	—
6.73% Nov. 1/88-89	12,683.83	23,993,581.14	662,346.57	24,668,611.54	—	3,448,693.00	19,249,202.35	1,970,716.19	—	—
7.68% Nov. 1/89-90	22,695.21	23,274,584.83	633,445.99	23,930,726.03	—	4,212,149.88	19,522,487.29	196,088.86	—	—
7.78% Nov. 1/90-91	41,322.75	20,900,676.07	628,562.00	21,570,260.82	—	4,934,238.14	16,636,322.68	—	—	—
7.06% Nov. 1/91-92	219,063.85	15,439,129.17	348,434.89	16,006,627.91	—	4,013,345.64	11,713,423.08	279,859.19	—	—
7.38% Nov. 1/92-93	24,659.28	12,304,863.98	332,405.00	12,661,928.26	—	4,992,071.53	7,669,856.73	—	—	—
7.53% Nov. 1/93-94	34,688.69	4,107,811.38	97,820.83	4,240,320.90	—	2,453,204.89	1,787,116.01	—	—	—
9.14% Nov. 1/95-96	2,241.80	578,549.81	8,666.67	589,458.28	—	—	—	—	589,458.28	—
8.85% Nov. 1/97-98	2,596.33	127,650.00	1,125.00	131,371.33	—	—	—	131,371.33	—	—
Total Provincial Sinking Funds	3,326,453.88	340,718,355.48	9,160,626.10	353,205,435.46	28,373,308.95	91,666,815.80	222,185,148.90	10,390,703.53	589,458.28	—
Sinking Funds Administered for Others	2,319.89	477,550.49	18,173.33	498,043.71	—	—	—	—	—	498,043.71
Total Sinking Funds Administered	\$3,328,773.77	\$341,195,905.97	\$9,178,799.43	\$353,703,479.17	\$28,373,308.95	\$91,666,815.80	\$222,185,148.90	\$10,390,703.53	\$589,458.28	\$498,043.71

Sinking Fund Payments

For the Year Ended March 31, 1985

Consolidated Fund

(\$ Thousands)

Finance			
Statutory Appropriation			
Estimate	\$ 24,485		
Less: Estimated Reimbursement	23,827		
	<u>\$ 658</u>	Payments	<u>\$ 658</u>
Total Payments			\$ 21,837
Less Reimbursements:			
Saskatchewan Power Corporation		\$ 14,633	
Saskatchewan Telecommunications		6,511	
University of Saskatchewan		35	21,179
			<u>\$ 658</u>

Summary of Loan, Investment and Deposit Activity

Increases (Decreases) in Loans to Crown Entities and Others

*For the Year Ended
March 31, 1985*

(\$Thousands)

	Loans		Repayments		Actual Net Increase (Decrease)
	<i>Estimate</i>	<i>Actual</i>	<i>Estimate</i>	<i>Actual</i>	
Consolidated Fund					
Loans to Crown Entities					
Agricultural Credit Corporation of Saskatchewan	\$ 17,000	\$ —	\$ —	\$ —	\$ —
Crown Investments Corporation of Saskatchewan	52,600	158,000	—	—	158,000
Potash Corporation of Saskatchewan	188,000	—	—	—	—
Saskatchewan Economic Development Corporation	51,100	—	—	—	—
Saskatchewan Housing Corporation	51,476	9,391	—	—	9,391
Saskatchewan Mining Development Corporation	17,800	82,950	—	—	82,950
Saskatchewan Municipal Financing Corporation	20,000	54,723	—	—	54,723
Saskatchewan Power Corporation	380,700	80,386	11,604	11,604	68,782
Saskatchewan Telecommunications	30,000	14,497	—	—	14,497
Increase in Loans to Crown Entities	808,676	399,947	11,604	11,604	388,343

Other Loans

Agriculture

South Saskatchewan River Irrigation Project:

Acquisition of Lands for Resale	—	—	—	49	(49)
Loans to Farm Operators for Land Improvement	—	—	—	28	(28)

Co-operation and Co-operative Development

Advances to Co-operatives	—	—	—	20	(20)
---------------------------	---	---	---	----	------

Education

School Loans	—	—	—	172	(172)
--------------	---	---	---	-----	-------

Finance

Receiver General for Canada	175	175	—	—	175
University of Saskatchewan	—	—	—	86	(86)
Treasury Advances	—	600	—	600	—

Health

University Hospital Board	—	—	—	56	(56)
---------------------------	---	---	---	----	------

Increases (Decreases) in Loans to Crown Entities and Others — (Concluded)*For the Year Ended March 31, 1985*

	(\$Thousands)				
	Loans		Repayments		Actual Net Increase (Decrease)
	Estimate	Actual	Estimate	Actual	
Consolidated Fund — (Concluded)					
Other Loans — (Concluded)					
Parks and Renewable Resources					
Field Advance Account	—	30	—	30	—
S-4 Imprest Account	—	70	—	70	—
Firefighter Wage Accounts	—	400	—	400	—
Tourism and Small Business					
Economic Development Loans	1,000	2,125	1,400	996	1,129
Urban Affairs					
Agricultural Services Centres Agreement:					
Shareable	—	130	—	335	(205)
Non-Shareable	—	4	—	18	(14)
Employment Loans Programs:					
Federal-Provincial	—	—	—	64	(64)
Provincial	—	—	—	2	(2)
Loans to Industrial Towns	—	—	—	46	(46)
Loans to Municipalities Pursuant to Downtown Development Agreements	1,040	1,039	—	—	1,039
Loans to Municipalities under The Municipal Development and Loans (Saskatchewan) Act	—	—	—	573	(573)
Water Development Agreement	300	—	150	27	(27)
Winter Works Programs					
Federal-Provincial	—	—	—	493	(493)
Provincial	—	—	—	128	(128)
Crop Insurance Corporation Insurance Fund					
Loans to the Saskatchewan Crop Insurance Fund pursuant to an agreement between the Provincial and Federal Government	45,000	55,036	45,000	53,549	1,487
Loans to cover crop insurance claims pursuant to an agreement between the Provincial and Federal Government	—	90,000	—	—	90,000
Increase in Other Loans	47,515	149,609	46,550	57,742	91,867
Consolidated Fund Increase in Loans	856,191	549,556	58,154	69,346	480,210
Saskatchewan Heritage Fund					
Loans to Crown Entities					
Potash Corporation of Saskatchewan	—	—	—	5,000	(5,000)
Saskatchewan Grain Car Corporation	—	—	—	4,984	(4,984)
Decrease in Loans to Crown Entities	—	—	—	9,984	(9,984)
Other Loans					
Loans and Sale Agreements	—	198	—	819	(621)
NewGrade Energy Inc.	4,000	2,938	—	—	2,938
Increase in Other Loans	4,000	3,136	—	819	2,317
Heritage Fund Increase (Decrease) in Loans	4,000	3,136	—	10,803	(7,667)
Total Combined Increase in Loans	\$ 860,191	\$ 552,692	\$ 58,154	\$ 80,149	\$ 472,543

Increases (Decreases) in Investments in Crown Entities and Other Enterprises

Year Ended March 31, 1985

Year Ended March 31, 1988	(\$Thousands)				Actual Net Increase (Decrease)
	Loans		Repayments		
	Estimate	Actual	Estimate	Actual	
Consolidated Fund					
Lake Lenore Seed Cleaning Co-operative Limited	\$ —	\$ —	\$ —	\$ 11	\$ (11)
Paradise Hill Seed Cleaning Co-operative Limited	—	—	—	7	(7)
Hudson Bay Dehydrators Mutual Credit Union Central	—	1,715	—	—	1,715
Consolidated Fund Increase in Investments in Crown Entities and Other Enterprises	—	1,715	—	18	1,697
Saskatchewan Heritage Fund					
NewGrade Energy Inc.	1,000	734	—	—	734
Saskatchewan Heritage Fund Increase in Investments in Other Enterprises	1,000	734	—	—	734
Total Combined Increase in Investments	\$ 1,000	\$ 2,449	\$ —	\$ 18	\$ 2,431

Increase (Decrease) in Amounts Payable to Crown Entities

For the Year Ended March 31, 1985

	(\$ Thousands)		
	<i>Receipts on behalf of</i>	<i>Disbursements on behalf of</i>	<i>Increase (Decrease)</i>
Consolidated Fund			
Advanced Technical Training Centre	\$ 1,814	\$ 1,813	\$ 1
Counselling and Assistance for Farmers Program Fund	162	162	—
Crop Reinsurance Fund of Saskatchewan	19,708	60,837	(41,129)
Saskatchewan Heritage Fund	910,830	849,266	61,564
Saskatchewan Liquor Board	107,800	71,000	36,800
Special Projects Fund	—	26,408	(26,408)
The Market Development Fund	294	223	71
Total Consolidated Fund Increase in Amounts Payable to Crown Entities	1,040,608	1,009,709	30,899
Less: Crown Entities Consolidated in Combined Statements:			
Saskatchewan Heritage Fund	910,830	849,266	61,564
	\$ 129,778	\$ 160,443	\$ (30,665)



DATE DUE SLIP

[illegible]

B19993